

FINANCIAL TIMES

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No. 31,036 Weekend December 30/December 31 1989 D 8523 A

WORLD NEWS

Havel elected Czechoslovak President

Playwright Vaclav Havel, jailed for his human rights activities by Czechoslovakia's previous Communist regime, was yesterday elected the country's first non-Communist President since 1948.

Vatican announces US

The Vatican branded the US an "occupying power" in a statement and angrily rejected a demand that it hand over ousted Panamanian leader Manuel Noriega.

Bomb threat to flight

About 30 of the 130 passengers booked on a Northwest Airlines Paris to Detroit flight today changed their travel plans after a bomb threat was publicised.

Drug suspect seized

Troops raided an estate on Colombia's Caribbean coast and seized Jose Antonio Ocampo Obando, a suspected leader of the notorious Medellin drug dealing cartel.

Bulgaria changes stance

Bulgaria's new Communist authorities have scrapped the forced Moslem assimilation policy which drove thousands of ethnic Turks to flee the country.

Anti-reforms campaign

Opponents of the Government's planned reforms of the National Health Service are branding together under an umbrella organisation called the Federation of NHS Support Groups.

Princess on charges

Princess May Al-Sabah, daughter of the Emir of Kuwait, was sent for trial by magistrates in London on charges of illegally importing heroin, cocaine and cannabis. She was conditionally bailed.

French gay-night

An escaped prisoner shot dead a French policeman and fatally injured another when he was cornered after a chase in the southern city of Nimes. The man was shot dead by his partners.

India to pursue payoffs

India is to press the Swiss authorities for help in tracking down alleged illegal defence contracts worth millions of dollars.

Kohl rejects border call

West German Chancellor Helmut Kohl rejected a call by the president of the country's parliament for both Germany states to recognise Poland's post-war borders.

NK camp stormed

Hong Kong police stormed a camp used by Vietnamese boat people after a day of violence thought to be linked with the colony's compulsory repatriation policy.

Ambulance row grows

The war of words in the 18-week ambulance pay dispute intensified, with both sides making propaganda points about the effectiveness of ambulance cover in London over the year.

New year holiday

The Financial Times will not be published on Monday, New Year's Day. It will be published again on Tuesday, January 2.

BUSINESS SUMMARY

Management buy-out plan at The People

Publisher Robert Maxwell announced plans for a management buy-out of The People, the Sunday newspaper.

MONDADORI Recent legal judgments

Recent legal judgments may prevent both Carlo De Benedetti and Silvio Berlusconi from winning clear control of Italy's largest publishing group in the next few months.

GEMINA, the Fiat-dominated financial holding company

saved face in a crucial shareholders' agreement which will admit both Credit Agricole of France and Generali, Italy's largest insurer, into the shareholding of Nuovo Banco Ambrosiano.

JAPANESE share prices over-estimate concerns

Share prices closed the year with a fourth consecutive high in a half-day session. The Nikkei average gained a moderate 38.93 to 38,915.87, a rise of 29 per cent this year.

FRENCH trade balance swung sharply back into the red

October with a deficit of FF2.7bn (€420m), compared with a surplus of FF2.2bn in September.

TVS Entertainment said it had reached agreements with 17 out of 20 executives

"golden handcuffs" binding them to the TV company until the next financial period and beyond.

SOCK SHOP International of the UK is in talks with a potential partner in an attempt to re-open its 17 US shops, which were closed last weekend.

JAMES DICKIE, Scottish foreman and castings manufacturer which has faced strong shareholder criticism, announced plans to buy Goldstar, a larger private engineering company, in an all-share deal that would value Goldstar at £7.7m.

AUSTRALIAN earthquake: The cost of earthquake damage to the east coast port of Newcastle is likely to be less than the initial estimate of A\$1.5bn (£750m) by the Insurance Council of Australia.

US index of leading indicators rose by 0.1 per cent in November, to 144.7 (1982=100). The figure is being read as a signal of a sluggish economy, but not a recession.

POLAND: Industrial nations finalised an emergency loan for Poland as much as \$500m (£310m) to help cushion the blow of a tough economic austerity programme.

SOVIET UNION imposed drastic restrictions on barter and export of a wide range of food, consumer goods and raw materials, including oil, coal and timber, to protect its domestic market from worsening shortages.

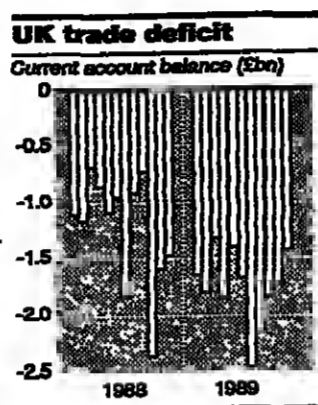
TATE & LYLE, UK sweeteners group, unveiled a corporate logo to mark its recent international expansion.

ALCOHOL SALES are at a record level and off-licences are one of the most buoyant retail sectors, according to retail consultancy Verdict.

Current account deficit fall boosts sterling and equities

By Patrick Harveron, Economics Staff

BRITAIN'S current account deficit fell to £1.4bn last month, well below City of London forecasts which had become increasingly pessimistic ahead of the announcement. The deficit, about £300m below expectations, bolstered London equities and helped sterling to recover after two days of sharp declines.



However, the latest figures from the Central Statistical Office also pointed to a deterioration in Britain's balance of invisible trade. The monthly surplus from activities such as banking, insurance and tourism was estimated at £100m in November and October following the recent sharp downwards revision in the third

quarter invisible surplus to £204m from the earlier estimate of £800m. Analysts said that the rising cost of borrowing to finance the deficit contributed to the declining invisibles surplus, as did the repatriation of profits by foreign companies from their UK subsidiaries. On the visible trade account, the November figures showed a sharp fall in the volume of car, consumer and capital goods imports. The continued high level of exports indicated that manufacturers were successfully switching production from slowing domestic markets to meet expanding demand overseas.

Bond group is closer to collapse

By Ray Bashford

THE GROUP of companies headed by Mr Alan Bond, the Australian businessman, was yesterday pushed closer to financial collapse when a syndicate of international banks applied successfully for the appointment of a receiver to National Australia Bank, one of Australia's three largest banks, made the application on behalf of the international syndicate which has outstanding loans of A\$850m (€440m) to Bond Brewing.

Romania reform package unveiled

By Judy Dempsey in Bucharest

ROMANIA'S new leadership moved quickly yesterday to consolidate its grip over the country and to prepare an economic and political programme aimed at dismantling the legacy of the Ceausescu era. Mr Ion Iliescu, president of the Committee of National Salvation, said free parliamentary elections would take place in April, the leading role of the Communist Party would be abandoned immediately and the economy would be organised on the basis of efficiency and profitability. He named several more new ministers.

ARMAGEDDON AND THE GREENS

One thousand years ago there were fears that the world would end. Linda Bilmes and Mark Byford hear uncanny echoes of this doomsday talk today

Weekend FT



ARMAGEDDON AND THE GREENS. One thousand years ago there were fears that the world would end. Linda Bilmes and Mark Byford hear uncanny echoes of this doomsday talk today Page 1

Finance The outlook in the markets for 1990 Page III

How To Spend It Lucia van der Post says goodbye to the designer decade Page XIII

Travel Michael Thompson-Noel daydreams about The Great Escape. And FT writers explain their travel choices Pages XVI-XVII

Planet Earth Lylal Watson comes home to Africa Page VII

Arts Ripostes to A.N. Wilson's claim that the past decade has produced no great art Pages XVIII-XIX

The Third Age Next week - a special issue on the ageing of Britain

Bid for Dixons was made 'on the cheap'

By Nikki Tait

DIXONS, the UK electrical retailer fighting a £568m bid from the retail group Kingfisher, yesterday claimed that its predator was trying to take advantage of a cyclical downturn in the consumer electronic markets to acquire the company 'on the cheap'.

David Steel awarded knighthood

By Michael Cassell, Political Correspondent

MR DAVID STEEL, leader of the Liberal Party for 12 years until he stepped down in 1988 after the demise of the Liberal-SDP Alliance and the creation of the Liberal Democrats, has been awarded a knighthood in the New Year Honours list published today.

MARKETS: Sterling, Dollar, Stock Indices, Gold, New Year Holiday

MARKETS (continued): Dollar, Stock Indices, Gold, New Year Holiday

CONTENTS: Man of the Decade, Stanley Kalms of Dixons, Editorial Comments, Quotes of the year

DUNHILL watches advertisement with image of a watch.

DUNHILL watches advertisement with image of a watch.

OVERSEAS NEWS

Romanians strive to shake off their fear

Food stocks — and terrorists — are creating a half-real world, writes Judy Dempsey

IT COULD have been any normal Friday afternoon in any normal capital city. The streets were packed with cars. People were out shopping in the underground stations...

infra-ray equipment and long-range telescopes. Securitate snipers shot at them dead. Each had a bullet in his head. The precision was perfect.



A Romanian tank driver clearing snow from his gun yesterday

terday, Renter reports from Zurich. "I do not believe Ceausescu or his family opened accounts in normal banking traffic in a recognisable way..."

Vatican reveals irritation over Noriega impasse

By John Wyles in Rome, Tim Coone in Panama City and Lionel Barber in Washington

THE VATICAN allowed its growing irritation to surface yesterday at the way in which the new Panamanian Government and the US are failing to help the Pope solve "the Noriega problem" in accordance with international law.

Remarks by Mr Joaquin Navarro, the spokesman for the Holy See, indicate that the Pope is exasperated by the lack of initiative from the newly-installed Government of President Guillermo Endara and by the abrasive tactics being employed by US soldiers surrounding the Vatican mission in Panama City where General Manuel Noriega has taken refuge.

The US is pressuring the Vatican to hand over the fugitive general so that he can be taken to the US to stand trial on drug trafficking charges. "An occupying power cannot interfere with the work of the diplomatic mission or demand that a person seeking asylum there be handed over to it," said the Vatican's Spanish-born spokesman.

US racist group claims responsibility for bombings

By Lionel Barber in Washington

A PREVIOUSLY unknown US white racist group has claimed responsibility for a series of bombings in the South which included the killing of a Federal judge and a prominent black civil rights leader.

The FBI said it is treating seriously the claim which appeared in a letter addressed "American People for a Competent Federal Judiciary" which was read out in part on a television news station in Atlanta. In the letter, the group also threatened to kill two unnamed leading members of the National Association for the Advancement of Coloured People, the black civil rights group, in reprisal for the rape and murder of a white exercise class teacher in Atlanta in 1988.

Last August, two black men were charged with rape and kidnapping in the widely publicised case. The TV station's decision to broadcast portions of the letter was made on the advice of the FBI, which was concerned about a threat of further violence if the letter was not made available to the media. But the move has already proved controversial.

One TV official said "it is a strange attention to be covering the story and then becoming part of it." Other observers noted the letter's violent, racist language which included a threat to kill one Federal judge, one attorney and one NAACP member "anytime a black man rapes a white woman in Alabama, Florida or Georgia."

Going public with the letter on Thursday night has aroused fears among the black community in Atlanta that a new, openly racist white supremacist network may have sprung up. But there is no firm proof of this and the FBI believes it could be the work of a deranged individual.

The FBI also disclosed that the same group sent out letters last week after this month's pipe bomb attacks. Two of which were defused and two of which exploded, killing Judge Robert Vance in his Birmingham, Alabama home and Mr Robert Robinson, an attorney in Savannah, Georgia. Until recently, there had been speculation that the killings were reprisals for the Bush administration's crackdown on Latin American narcotics traffickers.

Moscow curbs exports to ease shortages at home

By Quentin Peel in Moscow

THE Soviet government has imposed drastic restrictions on the export of a wide range of food, consumer goods and raw materials, including oil, coal and timber, to protect its own domestic market from worsening shortages.

Bulgaria agrees to rights for ethnic Turk minority

By Jim Bodgener in Ankara

AGREEMENT to all the fundamental minority rights aspired to by Bulgaria's 1.5m ethnic Turkish community was announced yesterday by the central committee of the Bulgarian Communist party, according to the semi-official Anatolian News agency, quoting Bulgarian state radio.

Health gaps plugged by Berlin Wall cash

By Leslie Colitt in Berlin

EAST GERMANY is preparing to sell 40 large segments of the Berlin Wall to the highest bidders in the West. The decision to cash in on the barrier was taken after the growth of a flourishing cottage industry chipping away at the Western side of the Wall.

France's trade balance sharply back in red

By William Dawkins in Paris

FRANCE'S trade balance swung sharply back into the red in October with a deficit of FF8.7bn (€15bn), against a surplus of FF2.2bn the previous month.

Paris airport alert over bomb threat to jet

By William Dawkins in Paris and Roderick Oram in New York

SECURITY forces at Charles de Gaulle airport in Paris were put on alert yesterday after an anonymous telephone bomb warning against a Northwest Airlines flight due to leave for Detroit at lunch today.

US leading indicators index rises by 0.1%

By Anthony Harris in Washington

THE US index of leading indicators rose by 0.1 per cent in November to 144.7 (1982=100), the Commerce Department announced yesterday.

Venezuelan GDP shrinks

Venezuela's gross domestic product contracted by 2.1 per cent in real terms during 1989 according to estimates published by the Central Bank.

This represents the worst economic performance in modern history for the country, a major petroleum exporter. The sharp recession this year, in contrast to GDP growth of 6.3 per cent for 1988, was caused by a harsh economic adjustment plan implemented at the beginning of the year by the administration of President Carlos Andrés Pérez.

Eurospeak even leaves the Brussels bureaucrats tongue-tied

Lucy Kellaway spells out some of the problems of interpreting Europe's ugliest and most baffling language

As for approximation, B is for banalisation, C is for comitology, Coreper and competitiveness, D is for derogation, DGXXII and double jeopardy, and E is for Eurospeak.

Comitology is another important one on which my directives have foundered. Said to derive from the French and mean "anything that pertains to or involves committees," it refers to the usual squabbles over power — for instance, whether the Commission or the Council of Ministers should have the final say in policing a directive.

The word "approximation" is a euphemism of another sort. It is usually used when the Commission's bold plans for "harmonisation" — enforcing the same rates of tax or standards on everyone — have been thrown out as unworkable.

Published by the Financial Times (Europe) Ltd, 100 Brook Street, London W1A 2JA. Telephone 01-633-7000; Fax 01-633-7220. Telex 418193. Registered in England. Registered office: 100 Brook Street, London W1A 2JA. Damer, A.C. Miller, D.E.P., Editor. London, Printer: Frankfurt Societypolis, Frankfurt/GMBH, Frankfurt/Main. Responsible editor: Geoffrey Owen. Financial Times, New York Office: Southwark Bridge, London SE1 9UL. © The Financial Times Ltd. 1989. FINANCIAL TIMES, US\$95 No. 1989, published daily except Sundays and holidays. US subscription price: \$365.00 per annum. Second class postage paid at New York, NY and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022. Financial Times (Sasdinia), Ostermark 44, DK-1100 Copenhagen, Denmark. Telephone (01) 13 44 44. Fax (01) 93333.

OVERSEAS NEWS

HK police storm boat people's camp

By John Elliott in Hong Kong

MORE than 900 riot police used tear gas to storm a Vietnamese boat people's camp in Hong Kong yesterday, after a day of violence believed to be linked to the colony's new policy of mandatorily repatriating boat people to their homes.

One man was killed early yesterday after a fight in Shek Kong detention centre which officials said was caused by a row over food distribution. In Chi Ma Wan, security staff attempted to search the camp for weapons after a series of violent incidents, but were resisted by boat people throwing stones and wielding iron bars and knives.



Another contingent of Vietnamese who volunteered to return home from the Hong Kong camps wave goodbye yesterday December 12 flight.

Three top Korea party men quit

THREE senior members, including the chairman, of South Korea's ruling Democratic Justice Party resigned yesterday in advance of former president Chun Doo Hwan's testimony to parliament today.

Mr Park Jun Kyu, leader of the party, offered his resignation after an interview with him was published in which he predicted dissolution of the ruling party and installation of a two mainstream political parties.

Churches to fight Ethiopia famine

A group of church-sponsored agencies hopes to win government permission to distribute food aid in rebel-held areas of northern Ethiopia in the next day or two, relief officials in Addis Ababa yesterday.

Ethiopia will need 1.1m tonnes of food aid in 1990 to prevent famine after another severe drought in the north, the UN Food and Agriculture Organisation says.

Opec president changes jobs

Mr Rilwan Lukman, president of the Organisation of Petroleum Exporting Countries, and a key moderating force in the 13-nation oil group, was moved from his job as Nigeria's oil minister yesterday, and appointed foreign minister in a cabinet reshuffle.

Khmer Rouge drive for Angkor

KHMER ROUGE guerrillas, backed by government forces, are moving to seize Cambodia's Angkor Wat temples, the country's most important religious sites, Reuters reports from Bangkok.

main road and rail links between Phnom Penh to the north-western towns of Siem Reap, Banteay Mancheay and Battambang. Diplomats said there was no prospect of a quick end, either through negotiations or military victory, to the 11-year conflict between the Hanoi-installed government and Khmer Rouge-dominated guerrilla groups.

ing ground against them in the west," one diplomat said in Bangkok. After Vietnam's army withdrew in September, the Khmer Rouge and two weaker Western-backed groups launched an offensive from bases in Thailand.

Kuwait warns over 'meetings'

THE Kuwaiti government, in an apparent attempt to contain growing agitation for the revival of a democratic parliament, has warned Kuwaitis against holding unauthorised meetings, Reuters reports from Kuwait.

petition for the recall of the parliament, which had been suspended in 1986. They said the question of greater democracy in the region was raised at a meeting this month of the six-member Gulf Co-operation Council (GCC) which discussed the implications for the region of change in eastern Europe.

due to the New Year holiday, invitations had been issued for a diwaniya the following week. The biggest gathering was reported on December 18 when up to 5,000 people were said to have met in a large mosque after police broke up a private diwaniya the previous week.

Australia quake cost downgraded

THE cost of earthquake damage to the port of Newcastle on the east coast of Australia is likely to be less than the initial estimate of \$41.5bn (\$26bn) by the Insurance Commission of Australia, according to UK insurance companies.

and US in September may total \$9bn, the San Francisco earthquake in October 1989m, and the explosion at the Phillips Petroleum plant at Pasadena, Texas, in the same month \$1.4bn.

Even where UK insurers are not directly involved, a high proportion of catastrophe losses usually comes back to London through reinsurance treaties. Much of the \$1bn insured loss inflicted by Cyclone Tracy which killed 65 people and devastated the port of Darwin in 1974 ended up in London.

Sikh militants win new demand

A BILL to repeal an amendment to the Indian constitution that provided for the declaration of an emergency in the troubled north-western state of Punjab was yesterday adopted unanimously by the Lok Sabha (lower house of parliament), satisfying another demand made by Sikh militants.

several thousand people in the last six years. Mr Singh has already visited the holy Sikh city of Amritsar to demonstrate his wish to apply what he called "a healing touch" to Punjab. He then promised to remove various irritants in the way of a settlement, including the "draconian laws" in force there.

plaints of corruption against politicians. The other bill introduced yesterday seeks to establish an autonomous corporation to manage the Government-owned radio and television networks in the country. This follows criticism of the administration of Mr Rajiv Gandhi, the former Prime Minister, for allegedly misusing broadcasting and television services for propaganda purposes and denying facilities to opposition parties.

UK NEWS

Dover is first port to handle 2m cars in year

By Kevin Brown, Transport Correspondent

THE PORT OF Dover, which claims to be the world's busiest ferry port, yesterday became the first to handle more than 2m cars in a single year.

Mr John Turgoose, marketing director, said the two millionth car passed through at midday. The port also expects to handle a record 1m lorries and 15m passengers before the end of the year.

The city also plans to spend a further £3m on another general cargo berth. Sealink and P&O, the two main ferry operators, have increased their capacity, and new ships will be introduced on the Channel routes next year.

Leading Scots companies' profit up 14%, study says

By James Buxton, Scottish Correspondent

SCOTLAND'S leading companies are in good financial shape, with sales 25 per cent higher and profits up by 14 per cent in the most recent 12-month period, according to a survey of Scotland's top 200 companies.

per cent increase in net profit to £290m, compared with Standard Life's increase of 26 per cent. The third largest Scottish company is BP Exploration (Europe), which is now based in Glasgow and includes British Petroleum, which BP took over in 1988.

Some 55 of the 100 top directors are paid salaries of £100,000 or more, against 34 a year ago. The highest paid director is Sir William Lithgow, chairman of Lithgow Holdings, his family company with interests in fields such as electronics and fish farming.

Brooke vows to beat terrorism

By Our Belfast Correspondent

MR PETER BROOKE, the Northern Ireland Secretary, yesterday pledged that the Government would do all in its power to defeat terrorism, as the IRA predicted that the 1990s would see a reversal of British policy leading to withdrawal from Northern Ireland in the next decade.

ther progress towards that objective in 1990 and some further political progress. "Like so many people here, I want to see locally elected politicians able to participate more directly than they do now in the government and administration of Northern Ireland."

self-determination and sovereignty, the British Government knows that it is continuing to send soldiers to their deaths. "The struggle with all its suffering, has been unnecessarily drawn out because of the comfort given to the British by successive Dublin governments."

Wayward border in danger land

Kieran Cooke finds crime, killing and caprice on the Irish frontier

A BITTING wind blew across the hills as a small group of worshippers gathered for Sunday afternoon service at Drumady Methodist Church. The old church stove belched out welcome warmth. The windows rattled. The sky outside grew black.



A solitary horseman shows how easy it is to cross the Irish border at points that the British Army has tried to close

It might have been a Christmas service anywhere. But Drumady is different. Its church is on the southern tip of County Fermanagh, Northern Ireland, only a few hundred yards from the border with County Monaghan in the Irish Republic.

caused widespread resentment. Roads are often reopened by local people, only to be sealed again by the army. The Rev Dudley Cooney, the Methodist minister, looks after several churches in the area. "Several of my people have been killed by the IRA. The border checkpoints are inconvenient but vital. Without them, the IRA can escape all the more easily."

the new rules have deepened the border divide. They have also done little to help towns such as Clones, just inside the Republic. The place was once a bustling market town, a junction on a rail network covering both parts of Ireland, but it now has a neglected air.

the border. Whiskey is up to £4 a bottle more expensive in the Republic and is another popular item with smugglers. Livestock is smuggled in and forth across the border to take advantage of various European Community allowances for variations in currency rates. Cows are said to grow fatter on the constant motion.

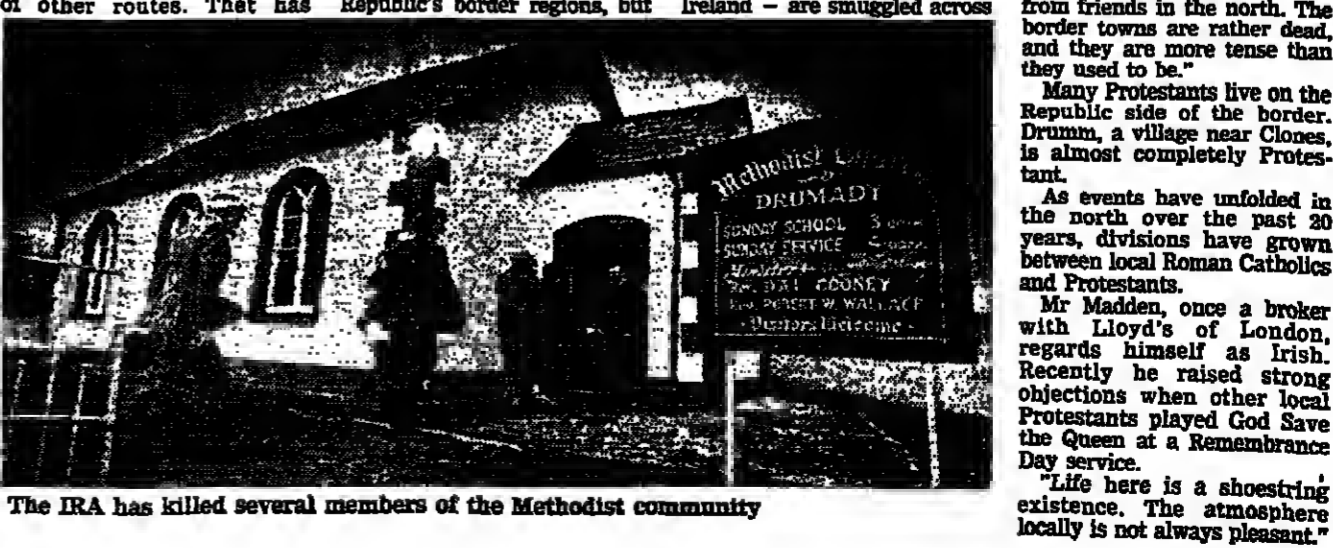
Two Ireland twists and turns for more than 250 miles from Donegal in the west to the Irish Sea in the east. Around Drumady it goes into contortions. One house actually has the border running through it - you can sleep in the south and have your breakfast in the north. The people of electricity connected to the south and their water to the north. Farmers often have fields divided by the border.

As border tensions have risen and as the economies of south and north have become more separate - particularly since the Republic became a full member of the European Monetary System - Clones has been cut off from its natural hinterland in Northern Ireland.

Thousands of gallons of diesel - which can cost up to three times as much in the Republic as in Northern Ireland - are smuggled across

Mr Brendan McGahan, an Irish MP for a border constituency, recently said sheep were suffering from vertigo from being loaded on and taken off cross-border trucks so frequently.

The IRA has killed several members of the Methodist community



UK NEWS

Labour promises inflation link for state benefits

By Michael Cassell and Alan Pike

A LABOUR government would revert to the practice of its predecessors by linking the annual uprating of pensions to price inflation or the increase in earnings, whichever is the higher, Mr Michael Meacher, the party's social security spokesman, pledged yesterday. Mr Meacher, who was announcing the results of an analysis of the value of state benefits in the 1980s, claimed that, as a result of government policies, more than 20 per cent of the population receiving benefit payments had not shared in the growth in gross incomes.

He said state incomes for the poorest members of society had continued to fall further behind incomes for those in work, in some cases by as much as a third.

State pensions for a couple, according to Labour, had fallen from 43.3 per cent of male aver-



Michael Meacher, pledge of 'fair shares' under Labour

Off-licences prosper as alcohol sales rise

By Alice Rawsthorn

MORE money is being spent on alcohol than ever before, according to a report from Verdict, the retail consultancy.

It found that off-licences, in spite of the downturn in consumer spending, are one of the most buoyant sectors in the high streets.

Verdict estimates that the value of the overall alcoholic drinks market stood at £20bn this year against £18.5bn in 1988.

The fastest-growing part of the market is the take-home sector, which was worth just over £5bn.

The overall alcohol market has increased by 13 per cent in the last three years, but the tendency to drink at home rather than in pubs and restaurants has meant that the take-home sector has grown by 20 per cent.

The large grocery groups dominate take-home sales with a combined market share of 47 per cent.

Sainsbury is the market leader with 7.3 per cent of sales, followed by Tesco with 7.2 per cent and Gateway with 6.5 per cent.

Alcohol has become one of the most profitable areas of the grocery trade.

Verdict estimates that sales of alcohol by the grocery groups rose by 12.5 per cent to £2.5bn last year, compared

with overall grocery sales growth of 9.5 per cent.

The specialist off-licence chains have lost market share to the grocery groups over the years, yet still claimed 43 per cent of take-home sales.

Victoria Wines, a subsidiary of the Allied-Lyons drinks group, is the largest off-licence chain, with 8.9 per cent of the take-home market.

Thrasher, which is owned by Whitbread, comes second with 6.1 per cent. Peter Dominic, part of Grand Metropolitan, is third with 6.0 per cent.

Wine has emerged as the most dynamic area of the alcoholic drinks market.

Wine sales rose by 46 per cent to £3.5bn between 1983 and 1988, at a time when sales of all alcohol grew by 29 per cent.

White wine is still the most popular type of wine, although red wine and sparkling wine are showing greater growth.

Sales of white wine actually fell during 1988, whereas sparkling wine showed growth of 12 per cent.

Sales of beers and spirits have slowed although sales of low-alcohol beers and wines, while still comparatively low, are experiencing a rapid growth.

Verdict on Off-Licences 1989. Verdict Research, 113 High Holborn, London WC1V 6JS. £895

The strategic view of Paddington

Paul Cheeseright on the conflicts of west London building schemes

WESTMINSTER City Council is facing the most complex and delicate series of planning decisions in its history.

It faces demands for a massive increase in office space in the Paddington area, although it knows that the present infrastructure is too fragile to support rapid expansion.

Three planning applications for a total of 4m sq ft of office space plus extensive shopping, with additional applications for hotel extensions and the redevelopment of existing offices add up to the biggest package of commercial space demands that the council has ever had to face.

Taken together, the applications amount to the third-largest property development in London, after Canary Wharf in Docklands and the King's Cross railway estates.

However, Paddington is arguably more complicated than Kings Cross because there are several developers instead of one. Furthermore, the council is anxious that the mistakes made in Docklands should not be repeated in Westminster.

In London Docklands, the speed of development has run ahead of the ability of the infrastructure — transport links and so on — to cope with it.

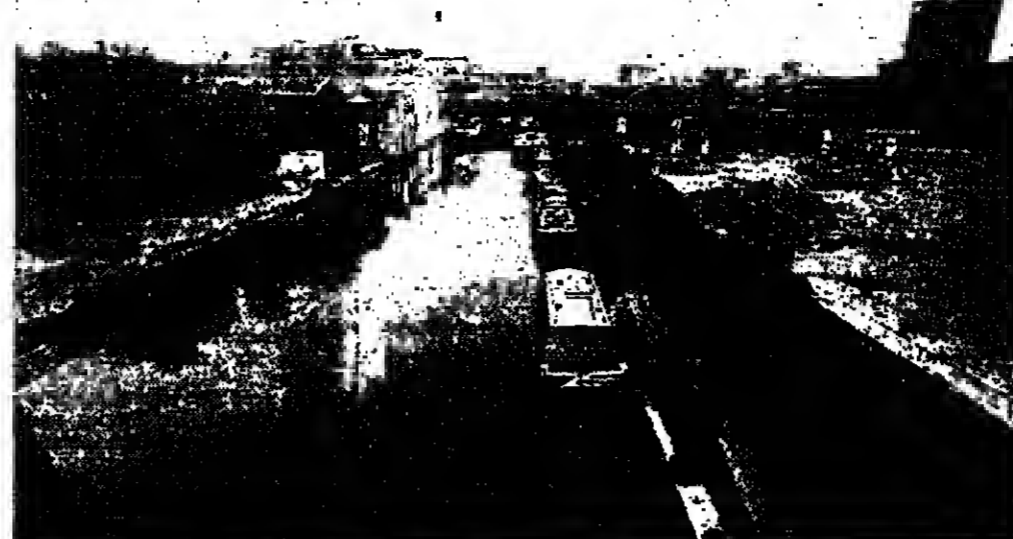
To avoid that in Paddington, the developments will have to be phased. It involves "taking a strategic view," to quote the words of councillor David Weeks, chairman of Westminster planning committee.

A series of difficulties arises, which the council must resolve. The first is the obvious one that the regulations demand that applications should be treated individually, although the council would like to see them all taken as a whole.

So it is necessary to pull competing development teams along in some sort of co-ordinated fashion.

The teams are:

- Grainhurst Properties, which is a consortium of Regalian Properties, NFC Properties and Higgs & Hill; it wants to build 1.7m sq ft of offices in the Paddington Canal.
- The British Waterways Board-Trafalgar House joint venture, which is looking for



The site of the planned development next to Paddington Station

nearby 1m sq ft of offices and nearly 240,000 sq ft of shopping space.

The regional and district authorities — five of them are involved at present — that want to use surplus hospital land for 1.2m sq ft of offices so that they can pay for an expansion of medical facilities.

In addition, Beristoff wants to redevelop an existing office block nearby, while Lario is planning a second expansion of the Metropole Hotel to provide it with about 1,100 bedrooms.

Westminster Council can control the planning applications for these developments, but is much less its own master when it comes to the infrastructure. Therein lies the second set of problems.

The difficulty here is that both these rail links are contingent on parliamentary approval and thus outside Westminster's control.

British Rail, however, has its very own traffic studies. So do each of the main development teams. So does the Department of Transport.

Even if it becomes possible to reconcile all of that, Westminster City Council has to feed into its calculations local community views and its own vision for the Paddington area.

Much of the land on which the developments are planned has been semi-derelict and under-utilised for years.

It was partly to revive the area that the council designated Paddington as an area where development should be encouraged.

Local community groups are articulate and vocal. Like all such groups they would like the development, but not the extra congestion that might accompany it in their own districts.

They will have something to say about new office towers, five of which could be casting their shadows over the area.

Residents are about to have the chance to do that.

In the interests of dialogue, Mr Weeks has written to every one of them and his letters should by now be falling on deaf ears.

Westminster Council, though, will do nothing until it has analysed the results of its own specially commissioned traffic studies.

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BA cuts fares on Spanish holiday routes

By Paul Abraham

BRITISH Airways has cut fares on routes to holiday destinations in Spain after a sharp fall in bookings throughout the holiday industry.

The airline has cut fares by between 20 and 25 per cent on routes from the UK to Madrid, Barcelona and Madrid. The company said it had seats available on these services — partly because of a slight increase in capacity — and had decided to pass on lower fares to customers. He refused to comment on whether the market had weakened.

Demand for holiday packages last summer fell by between 5 and 10 per cent on past years. Bookings for next summer look far worse — they are currently at least 50 per cent down on last year.

British Airways' move is likely to intensify competition with charter airlines on Spanish routes.

Groups fighting NHS reforms unite to co-ordinate opposition

By Alan Pike, Social Affairs Correspondent

ORGANISATIONS OPPOSED to the Government's proposed health reforms yesterday formed the NHS Support Federation to co-ordinate their resistance to the changes.

The new federation has set itself the ambitious short-term target of achieving the withdrawal or fundamental amendment of the National Health Service and Community Care Bill, now before Parliament. It will confront MPs considering the bill during its committee stage with detailed arguments against the proposals.

A range of pressure groups including the NHS Consumers Association, Hospital Alert, the NHS Support Group for Judicial Review and London Health Emergency are among initial supporters of the federation.

Professor Harry Keen, professor of human metabolism at Guy's Hospital, London, was elected chairman of the federation at yesterday's inaugural meeting in London. He said

afterwards that the groups supporting the federation had a range of objections to the Government's proposals, but the fundamental one was that they would introduce a spirit of commercialisation into British medicine.

"That is the central offence which we see in the Government's proposals. They will lead to trading in health care, with services going to the highest bidders," he said.

The Government's proposals — including allowing hospitals to become self-governing trusts outside direct health authority control, and offering family doctors budgets from which they would purchase hospital care on behalf of their patients — have been opposed by almost all medical and patients' organisations.

In addition to maintaining that opposition, the federation will carry out research into alternative ways in which the NHS could be reformed.

Prof Keen emphasised that, although it opposed the Government's plans, the federation was not against change in the NHS. It had "fallen into neglect" over the past ten years, and priorities had to be set for innovation and renovation. The study would enable gaps in existing provision to be identified more clearly, and provide information to justify the case for increased spending on the NHS.

"We recognise the need to update the service and take stock of its resources," he said. "There are some elements of the Government's proposals which will help do this and we welcome these. It is, for example, putting computers into hospitals — but that is something which should have started happening 15 years ago."

The federation hopes to attract a large individual membership as well as attracting more organisational support.

EMPLOYMENT

Ambulance cover pledged over New Year holiday

By Diane Summers, Labour Staff

THE PROPAGANDA battle being fought by both sides in the ambulance dispute intensified yesterday when the London Ambulance Service claimed that, in spite of the dispute, there would be more ambulances on the road in the capital over the New Year holiday than there were last year.

The claim was in response to a call from the ambulance unions for talks to be resumed before the busy New Year period and for 999 calls to be put through to suspended ambulances "for the sake of public safety."

Mr Tom Crosby, London's chief ambulance officer, said there would be a total of up to 130 vehicles operating in London on New Year's Eve, compared with only 70 last year.

"Normally on New Year's Eve we would have to man 95 vehicles, but sickness and annual leave can often reduce this figure. This year we can be sure that all the vehicles planned will be operational," he explained.

Mr Roger Poole, the ambulance unions' chief negotiator, said the police and army, in spite of their best efforts, would not be able to cope. He urged the Government to lift the ban on transferring calls to ambulance stations.

He said he had to remind the stewards that there would be no central support for strike action.

Staff at three Middlesex stations, who were to be refusing to answer all calls, had failed to persuade other London crews to join them, said Mr Stuart Barber, a London union He urged them to be patient and wait for the January meeting.

There was no further action yesterday following the suspension of staff who had refused to transfer from divisional offices to headquarters in Waterloo, he added.

Meanwhile, union leaders face pressure from ambulance workers to come up with a move that will end the stalemate. The dispute, which has now gone on for 18 weeks, is chiefly over the rejection of a 15-month pay offer. Unions will meet in London on January 4 when calls for an all-out strike are likely.

In Greater Manchester ambulance staff were last night planning to step up the action. Mr David Owen, the local representative for the ambulance unions, said crews would refuse to use their radios and would not treat patients between hospitals.

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Earnings drop further for clothing workers

By Michael Smith, Labour Correspondent

WEEKLY EARNINGS for male manual workers in clothing manufacture have fallen in the last year from 75 per cent of average earnings for all manufacturing employees to 69 per cent, according to a report published yesterday by the Low Pay Unit.

Women's wages have also declined in relation to the average. Nearly nine out of 10 full-time women workers in the industry earned less than the male pay threshold of £157 a week in 1989.

The Low Pay Unit published the document in response to proposals by the Clothing Manufacturing Wages Council to lift the minimum rate by 16p per hour, or 7.6 per cent.

This, it argues, is inadequate at a time when inflation is rising by 7.7 per cent, and average earnings are rising by 9 per cent. The minimum rate offer represents only 53 per cent of the Council of Europe's decency threshold for wages.

The Clothing Manufacturing Wages Council is the fifth largest in Britain, covering an estimated 147,600 workers in 6,964 establishments. Like the other 25 wages councils in Britain, it is under threat following publication by the Government earlier in the year of a green paper proposing their abolition.

Ms Kathy Sutton, author of the report, says the councils play a vital part in protecting workers from exploitation. Without the clothing council, pay could fall even further in an industry already plagued by labour shortages, low morale and high labour turnover.

The report says that the clothing industry remained the worst paying manufacturing sector in 1989, with average weekly wages at £138.50 for men and £116.20 for women.

Clothing workers are also required to work longer hours than most. For example, the average week for employees in clothing hats and gloves was 38.4 hours in 1989, compared with a national average of 37.7 hours.

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Laws to curb hazards of noise at work

By Diane Summers

REGULATIONS designed to reduce the damage to hearing caused by loud noise in the workplace came into force on New Year's Day. Employers are required to assess noise exposure and take appropriate action, depending on the level of noise.

At a noise level of 85 decibels averaged over a working day (85 dB(A)), employees have to provide information to workers and issue ear protection if requested. At 90 dB(A) noise must be reduced if possible and employees told to wear ear protection.

Machine makers and suppliers have to provide adequate information about equipment likely to cause noise of 85 dB(A) or more.

The Health and Safety Executive describes 85 dB(A) as the "level at which most people need to shout to be clearly understood by someone two metres away." At 90 dB(A) the distance "would be about one metre."

The higher the sound level the shorter the time workers can be exposed to it without damaging their hearing, says the executive. An increase of 3 dB(A) doubles the noise and halves the time that anyone should be exposed.

The executive says excessive noise is a significant health hazard. Apart from accelerating the normal hearing loss associated with age, the increased pulse rate, blood pressure and breathing rate indicate that noise and vibration cause stress.

Damage is cumulative and young people, in particular, should be protected before their hearing is permanently damaged, it warns.

The deadline for assessing risks relating to hazardous substances is also January 1. This is under the Control of Substances Hazardous to Health (COSHH) Regulations 1988, which came into force in October. A recent HSE survey found that small business, in particular, had little knowledge of the new rules.

Pilot scheme to advise youth on jobs

By Our Labour Staff

A PILOT scheme to help people aged 16 to 18 find jobs is being launched by Trafford Park Development Corporation and Salford City Council. The scheme, called Workout, will provide advice on presentation, telephone and interview techniques and application procedures.

Organisers believe the scheme is among the first of its kind in the country. Workout will be publicised through local schools, youth clubs and careers centres. It will cater for eight to 10 young people at a time in weekly sessions. The scheme, if successful, may be extended to other areas.

Pedal allowance up

THE TREASURY has agreed to a claim by the Council for Civil Service Unions for an increase in pedal cycle allowance from £20 to £30 a mile in line with an agreed formula.

A small number of civil servants use their bicycles while travelling on official duties, said the Treasury. Stringent criteria were applied to who could claim the allowance, it explained.

Toilet time curbed

JEAN SORELLE, the toiletry company, has told its 320 staff in Peterborough that they are allowed to go to the lavatory only three times a day, and for no longer than three minutes at a time.

The company said the rule was designed to help the company meet financial targets. It would not be enforced "on someone with a problem." The TGWU general workers' union called the rule diabolical.

Girobank allowances

GIROBANK, the Post Office bank, has agreed to raise allowances for London staff by 14 per cent from £2,634 to £3,000 a year, with payments backdated to July 1 last year. Allowances for staff in Ashford and Bristol are being pegged at £200.

Current account deficit narrows again to £1.42bn

By Patrick Harverson, Economics Staff

NOVEMBER'S TRADE figures will have come as a pleasant late Christmas present for the Government. At the end of a year in which the current-account deficit steadily worsened, culminating in the £2.5bn record shortfall in July, it appears that the medicine of high interest rates has begun to work.

The drop in the current-account deficit last month to a seasonally adjusted £1.42bn from the revised £1.78bn in October was regarded in the City of London as further proof that the corner has been turned. It was the fourth consecutive monthly fall.

Probably the most cheering figure released yesterday was the visible trade deficit. At £1.7bn, it was the lowest since September 1988, and nearly £1bn better than the record £2.6bn deficit in July. Excluding the contributions from oil and erratic items, such

CURRENT ACCOUNT (£bn)					
	Current Balance	Balance	Visible Trade Exports	Imports	Invisible Balance
1987	-3.6	-10.9	78.4	90.4	+7.1
1988	-14.7	-20.8	80.8	101.4	+6.2
1989	-	-6.0	21.7	27.8	+1.4
Oct	-1.8	-5.9	22.6	28.5	+0.8
Nov	-1.5	-4.7	23.6	30.3	+0.2
Sep	-1.8	-6.9	8.4	10.3	+0.1
Oct	-1.7	-1.6	8.1	9.5	+0.1
Nov	-1.7	-1.5	8.1	9.9	+0.1

Figures for October and November are projections
Source: CBO

as ships, North Sea installations, aircraft and precious metals, the volume of exports was 7 per cent higher between September and November compared with the previous three months, while imports were actually 1/2 per cent lower.

On an annual comparison, export volume was 13 per cent higher in the last three months compared with the same period

in 1988, while imports volume was only 6 1/2 per cent up on a year ago.

City analysts said the figures suggested that British manufacturers had responded to the slowdown in domestic demand and the subsequent easing of capacity pressures by switching production to export markets. At the same time, strong growth in world and European

trade-weighted index and over 9 per cent against the D-Mark, the value of non-oil imports rose by only 1/2 per cent over the previous three months.

That suggested that import prices had barely moved in that period, in spite of sterling's weakness.

However, there is traditionally a time lag between a change in the exchange rate and a change in import prices. The effects of the weak sterling, therefore, might yet feed through as higher import prices over the coming months.

Yesterday's figures have improved the likelihood that the 1988 current-account deficit will be close to the £20bn Treasury Autumn Statement forecast.

If the current trend in export and import growth is maintained into next year, the Treasury's 1990 forecast of a £15bn deficit may not prove over-optimistic.

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CBI president tells industry to keep investing in 1990

BRITISH INDUSTRY was warned yesterday not to let "gloom-mongers" talk the economy into recession in 1990.

Sir Trevor Holdsworth, president of the Confederation of British Industry, acknowledged that 1989 had been "designated a difficult year" but argued that there was "every ground for optimism."

He urged companies to invest in new capacity, innovation, the infrastructure "and above all in people" to ensure that gains in manufacturing productivity, the investment boom and the "cautious buoyancy" of exports all continued.

"The risks of continuing speculation with ownership and financial engineering with the real thing have never been greater. The UK is the fore-

most takeover target in Europe and the 1990s will belong to those who take the long view — not those looking for near-instant returns."

Only if British industry kept up the momentum of investment would it overcome the trade deficit and the "unacceptably high" level of inflation.

Sir Trevor called on companies, particularly small ones,

to seek more export opportunities and urged the Government to ensure "a level playing field" for British business to compete on equal terms with its trading partners and rivals. "Subsidies are not the answer, nor is protectionism. Competition is the spur."

In his new year message, Mr Peter Morgan, director general of the Institute of Direc-

tors, said he did not anticipate recession. "We expect economic activity to be no lower than in 1989, and we are confident businesses will take advantage of the many continuing growth sectors of the economy, particularly the improving climate for exports."

He also reiterated the IoD's call for tax cuts for businesses and individuals.

Secured Floating Rate Notes due 2000

IN ACCORDANCE with the terms and conditions of the Guaranteed Secured Notes, notice is hereby given that for the 5 1/2 months period from December 29, 1989 to June 29, 1990, the Guaranteed Secured Notes will carry an interest of 8.925% per annum (margin included).

The relevant interest payment date will be June 29, 1990 and the coupon amount per USD 100,000 Guaranteed Secured Note will be USD 4,500.04.

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The Management, HOLLANDS EROPANBANK N.V. AMSTERDAM

UK NEWS

New Year Honours continue to be widely spread



William Waldegrave Privy Counsellor, Michael Angus Knight, John Patten Privy Counsellor, Sir John Fieldhouse Baron, Sir James Clesminson Knight, Sir Nicholas Lyall Privy Counsellor, John Quinton Knight, George Turnbull Knight, David Steel Knight, Derek Hornby Knight

BELOW IS A selection from the Queen's New Year Honours list.

LIFE PEERS BARONS

Advised Sir John (David Edley) Fieldhouse, former Chief of Defence Staff... Sir Nicholas Lyall, Privy Counsellor, Minister of State, Home Office (MP, Oxford West and Abingdon)

ROYAL VICTORIAN ORDER KCVO

Sir John (Francis Harcourt) Barker

ORDER OF THE BRITISH EMPIRE GBE

Sir James Clesminson, Deputy Chief Justice

DBE

Mrs Maggie Smith, (Mrs Cross), actress

KBE

Sir James Arnold Library Clerk, chairman, British Overseas Trade Board

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Sir Francis Tombs Baron

Sir Ray Grandson, general secretary, Apex Partnership... Prof. John Matthews, director, Institute of Engineering Research, Agricultural and Food Research Council

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FT FINANCIAL TIMES CONFERENCES CREATING A EURO-WORKFORCE IN THE 90s 22 & 23 January, 1990 Inter-Continental Hotel, London. Speakers include: Mrs Vasso Papandreou, The Rt Hon Norman Fowler, Mr John M M Banham, Sir Edwin Nixon, Mr Richard Pearson, Mr Tony Raban, Professor Dr Matti Ojala, Mr Ivan R Yates, Mr Eric G Friberg, Professor John Ashworth, Sir Bryan Nicholson, Mr Angus Fraser, Professor Paul Lee Evans, Mr Olle Ranäng, Mr John De Leeuw, Mr Richard T Noonan.



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Saturday December 30 1989

Message of the media

WHAT DID YOU do in the counter-revolution, Daddy? ... I spent Christmas watching foreign news on television. ... The medium is the message and the message is the coming of the global village...

Partial triumph

A triumph of noble ideas? Partly, but by no means entirely. The western media ... the media revolution is not all good. It has trivialised politics. ... But if abstract ideas make poor viewing, other serious issues...

As hundreds of thousands of students, from Peking to Berlin, Prague and Bucharest, chant his name in the cause of freedom, at home Mikhail Gorbachev is in danger of becoming the man his own people love to hate.

Yet here is a man whose own empire is crumbling, whose ideology is in tatters, his ruling party hopelessly divided, his economy disintegrating, facing open rebellion from his outlying republics, and virtual civil war within his borders.

New technology

The odd thing is that this is not the revolution we were expecting. This was to be the age of the computer, but that revolution has proved a subtle one. It has liberated publishing, so that a thousand specialised journals bloom...

MAN OF THE DECADE



Hero to all but his own people

Quentin Peel studies the enigma of Mikhail Gorbachev

central committee. As he has sought to inspire a popular revolution from below, so he has inexorably been forced to use his personal authority ever more from above.

Socialism based on human values, not class interest, is now the core of perestroika

would have been shamed," he told an interviewer for a Communist Party periodical last May. "You can feel immediately he is from the university," says Mr Frolov, one of several confidants who was there at the same time.

show us as people somehow broken down, whose lives were just wasted. They don't write about people who during that period (since Khrushchev) fought for their ideas, without success, but at least were devoted to that idea. These are the people who made perestroika a reality.

Nikki Tait talks to Stanley Kalms, the embattled Dixons chairman

Armour firmly buckled on

"THIS a battle about professional managements and value. I really have to divorce, and have divorced, any personal aspect of this. You'll find any chinks in my armour when it comes to that."

Stanley Kalms, the Dixons chairman, is nothing if not defiant. As he settles down for a long, hard fight against Kingfisher, the retail rival which is making a £68m bid for his electrical retailing group, chinks of any sort are being rapidly cemented over.



Stanley Kalms: complete role reversal within four years

It does feel very different sitting on the receiving end of a takeover. So what does he feel about the City and its dramatic shift in sentiment?

will see in a few years' time is Dixons as an essentially high street chain. More male-oriented and high-technology. What you won't see in the high street is white goods wars - you can't really afford to put them in the high street.

Advertisement for Omega watch featuring 'Significant Moments' and 'OMEGA CHRONOMETER' text.

Political economy

It would not be in Britain's or, I believe, Europe's interest to join the present half-baked system. Professor Sir Alan Walters, on the disadvantages of the exchange rate mechanism of the European Monetary System

The year the Chancellor's position was 'unassailable'

BUSINESS QUOTES of the YEAR

Let's face it: all this talk about a free trade area is basically about arms deals. Anonymous industrialist commenting on trade negotiations between the EC and the Gulf states



Margaret Thatcher, Alan Walters (left) and Nigel Lawson

Impoverished and he didn't care to ponder them. Steve Cosser, chief executive of Australian independent TV production house Brookdown, on the sale by Mr Frank Long's Westfield group of the Channel Ten network

matter of great regret to us. National Westminster Bank

It was at the edge of what (UBS) would accept as a philosophy of doing business. Robert Studer, chief executive of Union Bank of Switzerland, on his bank's involvement in Blue Arrow

Good bankers, like good tea, can only be appreciated when they are in hot water. Jaffer Hussain, the governor of the Malaysian central bank

This is the only country in the world where the food is more dangerous than sex. Jackie Mason, comedian

The difference between Sky Television and the Loch Ness Monster is that some people claim to have seen the Loch Ness monster. Austin Mitchell

Consumers are getting fed up with hearing about the after-life at funerals. Some find it very offensive. Maevie Denby of the British Humanist Association

The pub is the centre of village life which has served local needs as nothing else has, including the Church. I find myself comparing this phenomenon to the dissolution of the monasteries. Bishop of Truro on the Monopolies Commission report on the brewers

I think women who used to wear these garments have fallen off the edge of the world. Bob Flemming on the closure of the Spiralis corsets factory

We must accept that serious errors were made in the handling of the Blue Arrow rights issue in late 1987 and some of the actions at the time fell below the high standards we have set within the NatWest group. This is a

My loftiest ambition is to get out of Washington without taking the Fifth. William Schneider, chairman of Federal Deposit Insurance Corporation

Dreams have their place in managerial activity, but they need to be kept severely under control. Lord Weinstock

Our favourite holding period is forever. Warren Buffet, on his \$1.2bn investment in Coca Cola

We don't pay taxes. The little people pay taxes. Leon Haimley, as quoted at her first trial in Manhattan

Glory to yuppies! Long may they live! Long may they drive Jaguars! Lord Young

I love dying businesses. Lawrence Tisch, chief executive of Loews, on the profits of its Lorillard tobacco unit

You've heard about white knights and golden parachutes. We're calling this the golden coffin. William Prickett, representing shareholders unhappy with Occidental Petroleum's plan to give the Armand Hammer Foundation seven years of Chief Executive Armand Hammer's salary when he dies



German reunification is desirable and inevitable. Alfred Herrhausen, chief executive of Deutsche Bank, shortly before he was murdered by terrorists

I became (Robert Maxwell's) chief of staff on June 9, 1985. Everyone remembers when they joined Maxwell. It's like remembering where they were when Kennedy was shot. Peter Jay, on leaving Robert Maxwell's employment

The Conservative party never has been, and never will be, the party of devaluation. Nigel Lawson, when Chancellor of the Exchequer

Trade policy

This time the Japanese hadn't just snuffed up another building, they had bought a piece of America's soul. Newsweek summarising American reaction to Sony's purchase of Columbia Pictures

No is not the beginning of a disagreement or a serious argument. On the contrary, no is the beginning of a new collaboration. If Japan truly says no when it means no it will serve as a means of improving the US-Japan relationship. Alcio Morita, in The Japan That Can Say No, a book of which he was the co-author

Bundling and unbundling

I always said that mega-mergers were for megalomaniacs. God, the idea of being taken over by that odious little jerk really gives me the creeps. David Ogilvy's expurgated comment two weeks before agreeing to the takeover of the advertising agency he founded by Martin Sorrell's WPP Group

I don't know if it's a defence document, a suicide note, or a poison pill. Mr Ken Coates, managing director of the Liverpool engraving group, on a document from United Scientific Holdings, for which he was bidding at the time

Corporate life

An overburdened, overstretched executive is the best because he or she doesn't have the time to meddle, to deal in trivia, to bother people. Jack Welch, chairman of US General Electric

An uncertain supply of independent contractors might prevent Mustang Ranch satisfying customer demands. Warning from a Nevada brothel in its share prospectus

High finance

In France, financial markets have traditionally been tolerated as a necessary parasite. Daniel Lebègue, chief executive of Banque Nationale de Paris

None of us, not even the Treasury, had the slightest idea what we were getting into. Citicorp chairman John Reed on the Brady international debt initiative

Epigrams

Let me emphasise, the interests of the Mexican people are above the interests of the creditors. Carlos Salinas de Gortari, Mexico's President

Charity

From Mr Michael Gardiner. Sir, I have received another Form of Election to apply for new shares instead of a dividend. Many companies now offer shareholders this opportunity and it seems to be increasingly popular.

Day's wages

From Mr H.W. Stanley. Sir, With reference Eric Short's article "One for the cautious" (FT, December 9) I would like to make clear that investment in the Legal & General Guaranteed Equity Fund III is restricted to "earned income", according to Legal & General's Birmingham and London offices.

Small investors' dealing costs

From Mr Richard Jones. The problem of high dealing costs for small investors needs to be addressed. One solution may be to follow the sorts of schemes now becoming more common in the administration of investment trusts.

A long wait

From Mr Michael Passey. Sir, On January 31, you reported that Falcon Resources plc, in which I am a small shareholder, had announced a series of steps which could eventually lead to a relisting on the Stock Exchange.

Hogmanay hope

From Mr Ian Blackford. Sir, It is ironic to read Mr John Downes's assertion that the Scottish National Party (SNP) is a fringe party (Letters, December 2).

Research

From Mr Frank Heller. Sir, You report (December 20) Mr MacGregor, the Education Secretary, defending his Government's support of British higher education by claiming that research productivity in the UK as measured by the number of scientific papers written and the number of contributions to journals, was exceeded only in the US.

The year dot

From Mr M.J. Fisher. Sir, Christopher Dunkley is wrong to say that the decade ends on December 31, 1991 (FT, December 14). If Christ was born on December 25 then that day would be 1 AD because it could not have been so designated at the beginning of the year. Nor could it be 1 BC respectively because Christ was born during the year. Therefore, the millennium's second decade began in 10, the next decade of this century begins in 1980.

Goodwill, gratis

From Mr Nicholas Stacey. Sir, There must be many who feel - as I do - increasingly irritated by the promotional junk mail received, largely from the financial services trades, offering gifts for the introduction of new clients.

No star to steer by

From Mr Ron Strahan. Sir, I trust that the fact that Daniel Pallant's 1988 astrological forecast for the UK equity market (December 31 1988) could hardly have been more wrong will dissuade you from publishing such rubbish in future.

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Goodwill, gratis

From Mr Nicholas Stacey. Sir, There must be many who feel - as I do - increasingly irritated by the promotional junk mail received, largely from the financial services trades, offering gifts for the introduction of new clients.

No star to steer by

From Mr Ron Strahan. Sir, I trust that the fact that Daniel Pallant's 1988 astrological forecast for the UK equity market (December 31 1988) could hardly have been more wrong will dissuade you from publishing such rubbish in future.

Goodwill, gratis

From Mr Nicholas Stacey. Sir, There must be many who feel - as I do - increasingly irritated by the promotional junk mail received, largely from the financial services trades, offering gifts for the introduction of new clients.

ADVERTISMENT BUILDING SOCIETY INVESTMENT TERMS. Table with columns for Product, Applied rate net, Net CAR, Interest paid, Minimum balance, and Access and other details.

UK COMPANY NEWS

Important pre-occupation for ITV companies in the run-up to competitive tendering
TVS secures 'golden handcuffs' on 17 executives

By Raymond Snoddy

TVS ENTERTAINMENT said yesterday it had reached formal agreements with 17 out of 20 key executives binding them to the ITV company until the next franchise round and beyond.

Forming "golden handcuffs" for top executives and programme makers has become an important pre-occupation for Britain's ITV companies in the run-up to the process of competitive tendering which will decide commercial broadcasting licences running from January 1 1993.

Mr James Gatward, chief executive of TVS, speaking after an extraordinary general meeting of the company in London, said: "I have reached agreements with most of the key executives to remain with the company for the franchise period and afterwards."

Mr Gatward declined to explain what form the golden handcuffs would take other than to say the agreements would not need shareholder approval. This approach is in contrast to London Weekend Television which decided on a radical restructuring of the company to create a share incentive scheme that will give 44 executives up to 15 per cent of the equity by 1993.

The TVS chief executive was speaking after shareholders passed a resolution approving a settlement agreement with Mr Arthur Price, former president and chief executive of MTM, the American television production company bought by TVS for \$300m in July 1988.

Eight shareholders voted for the settlement under which Mr Price will give up rights to 10 per cent of the TVS stock worth around \$11m and there will be no votes against.

Lord Boston of Faversham, the TVS chairman, gave shareholders an opportunity to raise questions about any issue affecting the company but none were asked and the formal business of the meeting lasted only five minutes.

Afterwards Mr Gatward said that Mr Price had signed the necessary settlement documents needed to call the meeting on December 29.

Mr Price, speaking from Los Angeles yesterday, said that one important final document had only been signed on Thursday evening - a document that will prevent either side from suing the other over the TVS-MTM deal.

Mr Richard Adam, group finance director however said yesterday: "We are in no deeper hurry to place the block (of shares) until they are sold the shares do not carry a dividend."

Mr Gatward also disclosed that the value of the MTM programme library, which includes successful programmes such as Lou Grant and Hill Street Blues, was being reassessed by management accountants.

At the time of the MTM purchase the programme library was put at \$30m-\$32m. The company should have the new valuation by the end of next month.

Mr Gatward confirmed that if MTM was successful in getting orders for new network shows in the US "some outside help" would be needed with the financing.

The options included selling a minority stake in the company and joint ventures on particular programmes.

MTM will have four shows on the US networks next year including a continuing series and has hopes that four others will be accepted at the pilot stage will be accepted.

Management to buy an Imtec loss-maker

By Clay Harris

IMTEC GROUP, the USM-traded micrographics company controlled by funds associated with British & Commonwealth Holdings, is to sell its loss-making engineering graphics operation for \$700,000 to the division's management.

The disposal will lead to a book loss of \$1.6m, increasing the deficit on the group's profit and loss account to about \$3m. This must be eliminated before the company can resume dividends - the last payment was in 1985.

Engineering graphics lost \$2.34m before tax and interest on turnover of \$2.55m in the final six months of 1988. Imtec said the division showed an unadmitted loss of more than \$1.4m on turnover of \$1.6m in the first 10 months of this year.

Nearly two-thirds of Imtec's shares are owned by subsidiaries of B&C or funds under their management. Of the total, 40 per cent is owned by B&C Ventures, 8.5 per cent by B&C Development Capital LP and 16.5 per cent by Colonnade Development. Mr W. J. Hill, an investment company whose own future is up for grabs (see story below).

Colonnade's stake in Imtec has a market value of about \$400,000 - some 4 per cent of its net assets.

Mr Richard Wevill, of B&C Ventures, a director of both Imtec and Colonnade, made clear yesterday that the two developments were unrelated and that B&C had no immediate plans to sell or reduce its beneficial stake in Imtec.

As with many other of the financial services group's investments, however, he said: "We will consider any approach that would give us a reasonable return."

Imtec is to change its name to Laser-Scan Holdings, its remaining business. A strong performance from Laser-Scan enabled the group as a whole to show a pre-tax profit of \$40,000 in the six months to June 30, its first move out of the red for four years.

In October, however, when it launched a \$1.5m open offer, Imtec warned that Laser-Scan would not match its first-half performance. Yesterday, Imtec's shares rose 1/2p to 2 1/2p.

When the disposal takes effect, Mr Roy Barber will resign as chairman, to be replaced by Mr W. J. Hill, a non-executive director. Mr James Montelith, of B&C Ventures, will become a non-executive director, and Dr Mike Jackson, managing director of Laser-Scan, will join the board.

Colonnade to disclose plans about its future existence

Colonnade Development Capital, the investment company which has withdrawn plans for a management reorganisation and purchase of certain venture capital assets from British & Commonwealth Holdings, said yesterday that it expected to present new proposals about its future existence in a few weeks, writes Clay Harris.

Mr Roy Barber, a Colonnade director who chaired the group's abbreviated extraordinary general meeting at B&C's head office, said a number of options were being considered. It would not exclude a possible liquidation of the group, which has net assets of about \$3.7m, including \$4m in cash.

Self-liquidation is the course preferred by Strategem Group, an investment company which owns 4.5 per cent of Colonnade's shares and has offered to make a 142p cash takeover offer if certain conditions are met.

Strategem tabled its proposal before Christmas in an effort to provide an alternative to the board's proposals. It argues, however, that self-liquidation would cost less than a bid.

In the case of shareholder opposition, Colonnade said on Thursday it would not place its resolution before yesterday's extraordinary general meeting.

Mr Barber conceded that the B&C proposals were dead and said: "It is unlikely the resolution would have been passed."

Two Colonnade directors did not attend yesterday's meeting: Mr Peter Goldie, the chairman, who is also B&C's chief executive, and Mr Richard Wevill, of B&C Development Capital, who would have become a shareholder in and full-time executive of Colonnade under the original proposals.

Arlen approves injection

SHAREHOLDERS in Arlen, the light fittings and electrical accessories manufacturer, approved a cash injection of \$1.3m from Inlith Group, a private company owned jointly by Mr Maurice Dwyer and Mr Peter Mearns, yesterday, writes Clay Harris.

The subscription gives Inlith a 25 per cent stake in Arlen.

Most of the issue of ordinary and convertible preference shares is subject to a check-out by existing shareholders on the basis of 10 units for every 31 shares owned. The take-up is unlikely to be high, however, since the new shares are being issued at a premium to the market price.

A previous plan to issue free warrants to existing investors was dropped in the face of institutional opposition before the final proposals were put to shareholders.

Arlen, which passed its interim dividend in November, has assured shareholders it is in a sound financial position with a final payment of 3.3p for the year to March 31. That would equal the total payments for 1988-89.

Memory refinancing package

Memory Computer, the computer services group, said it was negotiating a refinancing package to raise an additional \$2.5m (\$3.4m) after the end of talks about the possible buy-out of its Irish business by two former directors.

Two more for Third Market

Analysis Holdings and Polysource Holdings have become possibly the last companies to join the Third Market before it merges with the Unlisted Securities Market early next year, writes Vanessa Houlder. Polysource, a Welsh injection moulding business, is joining the market through an introduction of 10.3 shares by broker TC Combs. Analysis, which is also joining the market, is an electronic publishing company that provides updates on UK companies.

Sock Shop shares tumble in wake of US store closures

By Alice Hawthorn

SOCK SHOP International, once one of the most successful companies in the retail sector, is in negotiations with a potential partner in an attempt to re-open its chain of shops in the US.

Sock Shop closed its 17 US units last weekend, when the Christmas sales season ended. Its shares, which are quoted on the USM, fell by 9p to 62p yesterday when the news of the closure broke.

The group has lost money in the US since it opened its first shop there two years ago. 30 stores in the US were expected to be closed by the end of 1989, said Peter Moss, group director, and the cost of rent and security in New York - where all but three of the shops are located - meant it could not justify the cost of keeping them open.

Sock Shop is negotiating with a potential partner, who would provide the investment to re-open the shops and to expand its US business. Mr Moss said negotiations should be concluded within the next two weeks. It is also in talks with the landlords of its US units in an attempt to reduce its rents.

Mr Moss said the New York clothing market had slowed down since Sock Shop opened its first US unit in December 1987. The spread of "crack" - a cheap and highly addictive cocaine derivative - had aggravated crime problems, thereby adding considerably to retail security costs. Sock Shop had hired armed guards at the cost of \$1,000 a week.

In future the group would concentrate resources on expanding its European operation consisting of 121 shops, 105 of which are in the UK.

The US business provided 10 per cent of its \$32.2m turnover in the year to February 28 1989, but incurred a loss of \$277,000.

Sock Shop, due to publish its interim results at the end of January, experienced tough trading over the summer. Mr Moss said conditions had improved this winter, with "very good" business in the approach to Christmas.

Panfida plans disposal of US interests to reduce borrowings

By Ray Bashford

PANFIDA GROUP, the retailer with a majority interest in Martins Newsagents, is disposing of its US interests in an effort to reduce group borrowings.

The Australian-controlled company announced yesterday that it was selling 90 per cent of its holdings in the convenience store businesses, TOC retail and Mumford, which operate under the M&Mk Mart's banner, and a 49 per cent stake in Tobago Bay Trading.

The US investments have failed to achieve the financial targets set when they were acquired in late 1988 and contributed heavily to the sharp downturn in Panfida's recent results.

Panfida made a pre-tax profit of \$153,000 in the nine months to June 30 but this was turned into a loss of \$241,000 after a \$1.1m write-down of goodwill on the US acquisitions.

The sell-off will greatly increase the write-down for the full year while the group's consistently high borrowings will further complicate the refinancing plan.

TOC is expected to attract interest from major oil companies and other large convenience store buyers of its 260 US freehold/gas convenience stores and operates another 90 leasehold sites in the south-east of the US, directors said.

Panfida has an equity investment of \$25.5m (\$14m) in the company which was acquired for \$152m. The sale is expected to return net proceeds in excess of this equity investment.

Mr Wenzel said that Mumford's performance had been "well below" expectation and he expected to realise a loss of up to \$14m on the investment. The company was purchased for \$52m and Panfida has an equity investment of \$14m.

The Tobago Bay holding will be sold for a nominal amount equivalent to the unspecified write-down value of the investment.

AFI clearance for buy-in resolution

By Vanessa Houlder

THE long running conflict between disgruntled shareholders and the Board of Amalgamated Financial Investments continued yesterday at an ill tempered extraordinary general meeting held late in the afternoon. The resolution allowing AFI to buy up to six million of its own shares was passed but only after Mr John Scholes, the chairman, was backed by investors.

The meeting got off to a bad start when it lacked the necessary quorum and was postponed for half an hour. Champagne and piano music was provided - paid for, Mr Scholes stressed, by himself. However this did little to mollify shareholders who were incensed by Mr Scholes' refusal to answer questions at that stage.

Apart from Mr Scholes, the chief protagonist was Mr Richard Wollenberg, a former chief executive of the group. Last month he and two other dissenting shareholders failed to win control of the investment company's board.

He opened the questioning with a request to know the total of the company's cash resources. The answer of \$2.5m turned out to be one of the very few pieces of information offered in the meeting.

Questions focussed on the \$2.4m investment in Sacramento Resources, a holding company with gold mining interests which the company announced ten days ago. However Mr Scholes refused to answer questions saying that a detailed circular would be published in January.

Mr Wollenberg contrasted AFI's plans to buy in its shares with a recent comment by Mr Scholes that the company was too small to justify the management of its portfolio. Mr Scholes replied that the drawback of increased overheads would be weighed against potential gains if the company decided to buy its shares.

The questions and answers were universally sour prompting one shareholder to tell the protagonists not to behave like schoolboys. "It is supposed to be an adult meeting" she said.

Attwoods £3.8m buy in waste collection

Attwoods has agreed to acquire Taskmasters Cleaning Services, a south London-based company which operates a number of local authority waste collection contracts, for \$3.79m.

An initial consideration of \$2.25m is payable on completion and will be satisfied by the issue of 733,638 new ordinary shares.

In the fifteen months to March 31 last Taskmasters achieved pre-tax profits, before exceptional items, of \$279,922 and at the same date had net assets of \$269,103.

Operating profits for the year to March 31 1990 are warranted at a figure which will contribute to a profit before tax for the period of about \$850,000.

The following changes in company share stakes have been announced:

Ambrose Investment Trust: Orion Insurance has bought 225,000 income shares, bringing holding to 1.12m (15.56 per cent).

Asia: First City Financial Corporation purchased 1.63m shares, increasing stake to 61.48m (5.16 per cent).

AT Trust: Jeremy Porter bought a further 180,000 shares and lifted stake to 3.53m.

B&A: ADT is interested in 35.6m shares, or just over 7 per cent of the capital.

Chamberlain and Hill: Rights Finance Investment Trust has acquired 2,000 ordinary, raising its holding to 1.67m (23.6 per cent).

CR Industrials: Govett Strategic now owns 4.77m ordinary (6.77 per cent).

Claremont (UK): Hanover Nominees has 5.79 per cent (2.5m shares).

Colongraph: Standard Life Assurance now holds 732,448 ordinary shares (5.75 per cent).

Cooper (Alank) On December 5, AS Moseley, a non-executive director, purchased 5,000 ordinary at \$2.01p each. The purchase increases Mr Moseley's holding to 1,171,680 ordinary (11.55 per cent).

Gray Electronics: Following recent purchases of shares, Provident Mutual Life Assurance Association has become interested in 8,86m ordinary (10.04 per cent) in company.

Creighton's Naturally: Friends Provident Life Office now controls 5.16 per cent of company's share capital.

Davenport Vermont: Highway Finance Holdings now holds 722,000 ordinary (5.46 per cent).

Devenish (JA): Company has been notified by Whitbread Investment that the number of ordinary shares which they hold is now 7,719,531 (15.47 per cent).

Dickie (James): Specialist Holdings has acquired 45,000 ordinary bringing total holding to 421,000 (2.7 per cent). A

New identity for Tate but Mr Cube keeps in shape

TATE & LYLE, the sweedens group, yesterday unveiled a new corporate logo (top) to mark its recent international expansion, writes Clay Harris.

Its sugar packets in the UK, however, will continue to bear the old standard logo and the familiar figure of Mr Cube.

The new identity has already raised eyebrows at the company. The "e" in "Tate" lacks a central bar, except for that suggested by the discreet plus sign, leading some to see, at first glance, the word "Tat-clyt".

It was designed by Smith & Milton, the consultants responsible for Rowntree's logo.

Tate's logo made its debut on the group's 1988-89 annual report, which shows that payments to Mr Neil Shaw, chairman, increased by 53 per cent, from \$345,000 to \$534,000, during the year.

The group plans to appoint Coopers & Lybrand as its new auditors, replacing Touche Ross.



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Buy-in to rescue Widney after losses of £1.1m

By Clay Harris

Widney, the engineering group, may be rescued by a financial rescue after falling into loss and being forced to omit its final dividend and payments due on its preference shares. It lost £1.1m before tax in the year to September 30.

An announcement made after the stock market closed, Widney disclosed plans to raise £2.2m to meet the need for "an immediate injection of fresh capital".

The rescue takes the form of a management buy-in by Mr David Cassidy and Mr Paul Lines, former finance director and commercial director respectively of Porter Chadburn, the industrial holding company.

The £2.2m subscription at 10p a share, they will hold a total of 22 per cent and Hill Samuel nearly 19.5 per cent. The Takeover Panel has waived the requirement for a full offer. A placing with clawback for existing shareholders on a three-for-eight basis will raise another £700,000. Widney's shares had closed unchanged at 15p.

The group makes enclosures for customers such as British Telecom (a business which is now to be sold to the division's management), windows for off-road vehicles and defence products such as ship-mounted decoy systems.

Widney's fall into the red from pre-tax profits of £227,000 in 1987-88 came on turnover of £15.63m (£16.13m). The loss per share was 9.63p (0.5p earnings). The company gave no trading details. There was an extraordinary profit of \$468,000.

Mr Cassidy, who left Porter Chadburn in October, will become chairman and chief executive. Mr Lines, whose resignation was announced earlier yesterday, will be an executive director. Mr Martin Perry will quit as Widney's managing director and Mr Jonathan Davies steps down as chairman but remains as a non-executive director.

James Dickie plans expansion in engineering

By Clay Harris and Clare Pearson

JAMES DICKIE, the Scottish forger and castings manufacturer which has faced strong criticism from dissident shareholders, yesterday announced plans to buy Goldstar, a larger private engineering company, in an all-share transaction.

The current owners of Goldstar will hold 70 per cent of Dickie's enlarged equity. Based on Dickie's suspension price of 180p, Goldstar would be valued at \$7.7m.

Dickie said the deal should allow resumption of dividends at an early date - the last payment was in 1988.

The proposed acquisition would be the qualified support of Specialist Holdings, part of a concert party which speaks for 22.4 per cent of Dickie's shares. Mr Keith Daley, who heads Specialist, which has packaging and property interests, said he had requested assurances on several "fundamental" issues.

"If we are satisfied on these points we will support the deal," Mr Daley said.

On Thursday, Specialist announced that it was to hold fire on its long-running opposition to the Dickie deal, saying it would vote against its own resolution to amend the articles of directors at an extraordinary general meeting on January 8.

This would allow Dickie's directors "a limited amount of time to develop a proposal to place before shareholders free from the threat of being removed." One condition of the Goldstar deal announced yesterday is that there be no "material change" in the composition of Dickie's board.

Goldstar, founded in 1977, owns five trading companies engaged in light engineering, fabrication and press work, toolmaking and the machining of castings and forgings. The present constituents of the group reported pre-tax profits of \$30,000 on turnover of \$19.2m in the year to August 31 1988.

Completion of the deal depends on Goldstar showing pre-tax profits of at least \$500,000 for the 12 months to August 31 1989.

Mr John Grimmond, Goldstar's principal shareholder, will join the enlarged group as chief executive.

Specialist, which launched an unsuccessful bid for at least a 50 per cent stake in Goldstar, said it was holding a 7.5 per cent stake in Dickie. A further 1.4 per cent is held by shareholders acting in concert. Mr Daley said his group had "expressions of general support from other shareholders."

In the half year to April 30, Dickie reported back into pre-tax profits to the tune of \$23,457, compared with a loss of \$106,038 in the comparable six months. But it warned that the improvement was not expected to continue into the second half when it announced interim results in August.

German bid at minimum £8.3m likely for Carron

CARRON Phoenix, the Falkirk based sink manufacturer, is in discussions with Franke Holding of Germany.

Just over a week ago Carron announced a possible \$8.5m takeover by the privately owned French company Groupe Bene. The following day it said that another potential bidder had appeared on the scene.

Yesterday Carron said that pending the outcome of the talks with Franke shareholders were advised to take no action over the Bene offer.

It was said that the offer by Franke will not less than the 60p per share made by Bene. Carron has already acquired 6.4 per cent of Carron's issued capital at prices up to 75p per share and under the rules of the City Code of Takeovers and Mergers, any competing offer by Franke would have to be made at a minimum price of 75p per share, or a total of \$8.5m.

NEWS IN BRIEF

There is currently £10.5m of the loan stock outstanding.

KLEINWORT BENSON: Fuji Bank has completed the purchase from KB of the remaining 75.1 per cent shareholding in Kleinwort Benson Government Securities, a Chicago-based primary dealer in US government securities. Purchase price for the balance of the shareholding is about \$34.4m (\$27m). The name of Kleinwort Benson Government Securities has been changed to Fuji Securities.

MEEGER CLEARANCES - the following acquisitions are not being referred to the Monopolies Commission: Scandinavian Investments of Scandinavian Bank Group, Deutsche Bank of Morgan Grenfell Group; Group Bull of Zenith Electronic Corporation; King Black and Associates Partners LP of Montypote Corporation; Radio Boardland (Holdings) of Suffolk Group Radio.

WALTEK FUNDAMEN has acquired Independent Security Products, of Ontario, for a maximum \$1m (\$529,100). Rmciman has also acquired 7.5 per cent of the issued 75 shares of Chairman Group for \$200,000 to be satisfied by the issue of 113,122 ordinary shares.

SEVERFIELD-BEEVE has acquired AA Steel Erection, and A&A Fabrications for \$942,236 in shares and has also acquired 100 per cent of the businesses are carried out at Hackworth Industrial Park, Shildon, Co Durham, for \$100,000.

WINDSOR has acquired a 75 per cent stake in Commercial Holdings by purchasing 3,600 ordinary £1 shares at £10 per share. Windsor will be entitled to acquire the remaining 25 per cent in 1993.

SHARE STAKES

Rudolf (40,000) and S Rudolf (5,000) are existing holdings who have joined the specialist holding concert party.

High Point: CJ Moran now holds 237,500 shares in company (5.82 per cent).

Inchcape: Robert Fleming group holds 5.5 per cent of the ordinary capital.

Isleward Group: Director, has acquired 150,000 ordinary at 2p per share. Total holding is now 426,968 beneficial (8.4 per cent).

Ivory and Stone: Colquhoun Holdings has acquired 25,000 ordinary, bringing its holding to 2,227,700 per cent.

Martha Cecilia Pacific Trust: RTZ Pensions interested in 608,000 ordinary (4.99 per cent).

NS&I: Derek William Bankston has acquired 63,995 ordinary (0.04 per cent) lifting total stake to 3,956m (5.17 per cent).

Omantech: Mr Michael Barker, director, has disposed of 159,000 ordinary, leaving his holding at 5.2m (38.29 per cent).

Radio Clyde: Throgmorton

USM Trust increased holding to 385,000 shares (5.31 per cent).

Banco Oil Services: Prudential Corporation Group control funds which hold 350,000 ordinary (5.04 per cent).

Ramadena (Harry): Knwatt Food Company (Americana) now interested in 780,000 ordinary (2.67 per cent).

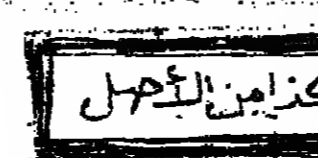
Seward (CA): Mr Cyril Lewis has increased his shareholding to 8.76 per cent of the ordinary shares.

Taylor Woodrow: Prudential Portfolio Managers, together with the segregated funds managed for clients, has an interest in 4.99 per cent of the issued share capital.

TT Group: Friends Provident Life Office acquired 250,000 (0.51 per cent). Total holding raised to 2.52m (5.31 per cent).

Union Square: AM Green, director, acquired 1.5m shares at 38p, bringing his holding to 6.22m (8.6 per cent).

WCRS Group: Warburg Pincus acquired 1.51m shares, lifting to 3.87m (5.38 per cent).



MARKET STATISTICS

ECONOMIC DIARY

TODAY: Tomorrow: Sports personalities attend launch of Duke of Edinburgh's Award scheme. Ritz Club, Piccadilly. Monday: New Year's Day - Public holiday, UK and Republic of Ireland. Cabinet papers for 1990 published. Mr Charles Haughey, Irish Prime Minister, makes statement on Ireland's assumption of European Community presidency. Mr David Dinkins inaugurated as Mayor of New York. Tuesday: Bank Holiday - Scotland. Age Concern Golden Jubilee luncheon, Olivier Theatre, London. Mr Paul McCartney starts UK tour. NEC, Birmingham. Mr John Gummer, Agriculture Minister, speaks at Oxford Farming Conference dinner. Wednesday: National Economic Development Council statement on electronic traffic management. Treasury publishes details of UK official reserves for December. November figures from the Bank of England. London International Boat Show opens. Earl's Court (until January 14). Health and Safety Executive demonstration on transport of liquid propane gas at HSE Buxton Laboratory. Elderly Consumers in Britain report published. Friday: Woman Driver of the Year competition launched.

BANK RETURN

Table with columns: BANKING DEPARTMENT, LIABILITIES, ASSETS, and ISSUES DEPARTMENT. Includes sub-sections for LIABILITIES and ASSETS with values in £.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Jan 90, Feb 90, Mar 90, Apr 90, May 90, Jun 90. Lists various series and their corresponding values.

FT-ACTUARIES SHARE INDICES

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Friday December 29 1989, and Highs and Lows Index. Lists various equity groups and their performance metrics.

LONDON RECENT ISSUES

Table with columns: Issue No, Issue Date, Issue Title, and Price. Lists recent issues and their details.

FIXED INTEREST

Table with columns: PRICE INDICES, British Government, and various interest rates. Lists fixed interest rates and price indices.

FIXED INTEREST

Table with columns: PRICE INDICES, British Government, and various interest rates. Lists fixed interest rates and price indices.

RIGHTS OFFERS

Table with columns: Issue No, Issue Date, Issue Title, and Price. Lists rights offers and their details.

MONTHLY AVERAGES OF STOCK INDICES

Table with columns: Financial Times, Government Securities, Ordinary, Gold Mines, SEAG Bergans (5 p.m.), F.T. Actuaries, Industrial Group, 500 Share, Financial Group, All-Share, FT-SE 100. Lists monthly averages for various stock indices.

Advertisement for 'A GUIDE TO FINANCIAL TIMES STATISTICS'. Includes text: 'Making the FT work even harder for you', 'Are you getting 100% out of your daily newspaper... or only 75%?', 'The Financial Times provides the best and most comprehensive range of financial and economic data...'

Advertisement for Tulip Computers. Includes text: 'You can either talk big. Or think big.', 'In just ten years, Tulip Computers have become one of Europe's largest manufacturers of micro-computers...'

Advertisement for 'QATAR'. Includes text: 'The Financial Times proposes to publish this survey on: 22 February 1990', 'For a full editorial synopsis and advertisement details, please contact: Mrs Laurette Lecomte-Peacock on 01-873 3515', 'European Assets Trust N.V. The net asset value at 30th November 1989 Dfl 8.66'

Advertisement for 'ORDER FORM'. Includes text: 'Please return to: (Mail order address only) The Marketing Dept., FT Business Information, 7th Floor, 50-54 Broadway, London SW1H 0DB. Tel: 01-793 2002. Telex: 927 2234', 'Please note payment must accompany order. Prices include postage and packing.', 'Please send me: Office use, Title, Qty, UK Price, Overseas Price', 'I enclose my cheque value £/US\$ made payable to FT Business Information. I wish to pay by credit card (mark choice): Visa Access Amex', 'Card No. _____, Card Expiry Date _____, I wish to order 5 or more copies. Please send me details of bulk order discounts or telephone: _____ (BLOCK CAPITALS PLEASE), Mr/Ms/Miss _____, Title _____, Organisation _____, Address _____, Postcode _____, Country _____, Signature _____, Date _____', 'Please allow 28 days for delivery. Returns are given on books returned in perfect condition and within 7 days of receipt. Registered office: Member One, Southwark Bridge, London SE1 0HL. Registered in England No. 808995. 228'

Advertisement for Tulip Computers. Includes text: 'In fact, all Tulip Computers ranging from the 8088 (PC Compact 2) to the tr 386/25 (a floorstanding model) offer impressive performance at a competitive price and are backed with a year's warranty with the first six months free on site.', 'If you would like more information, fill out the coupon and return it to us either by post or by fax: 0293 553307. Or call FREE on 0800 521146.', 'Tulip computers The name for European quality.', 'Please send me details of the complete Tulip range: Name _____, Position _____, Company _____, Address _____, Postcode _____, Tel No _____, Send to: Tulip Computers, Tulip House, The Satellite Business Village, Fleming Way, Crawley, West Sussex RH10 2NE FTX/12'

INTERNATIONAL COMPANIES AND FINANCE

De Benedetti tightens grip on Mondadori

By John Wyles in Rome

MONDADORI, Italy's largest publishing group, has been less rudderless by recent legal judgments...

validity of a document signed a year ago by the Formenton family promising to sell their 25.7 per cent of the Amef holding...

Gemina settles row over NBA holdings

By John Wyles

GEMINA, the Fiat-dominated financial holding company, has saved face in a crucial shareholders' agreement...

merger led to the unusual blackballing in October of Generali as a potential NBA shareholder's agreement...

CBI to pay SFr800m for stake in new bank

By William Dullforce in Geneva

COMPAGNIE DE Banque et d'Investissements (CBI), the Swiss private bank, said yesterday it was paying SFr800m...

Under the complicated transaction TDB American Express, the biggest foreign-owned bank in Switzerland, will initially buy CBI in a second stage CBI Holding...

Steering a Hillman down fast lane to ruin

It is a short walk from my office to the portals of Banco Syndicato Sympathico. I stand at the impressive doors for a moment, trying to conceal my awe and excitement...

Andrew Freeman makes a seasonal visit to the new-issue desk of Banco Syndicato Sympathico, one of the Euromarket's leading underwriting houses...



take any more calls. The passes slowly. Suddenly total quiet descends on the dining room. A hand grabs my shoulder and swirls my chair around. I'm facing a red-headed Reg. with a built-like Bearer behind him.

Eastern Air to axe staff in \$100m savings drive

By Karen Zagor in New York

EASTERN Air Lines, part of Mr Frank Lorenzo's troubled Texas Air empire, will lay off nearly 600 of its 20,000 employees, reduce employee benefits and impose temporary pay cuts...

Regulators back KIO offer for Grupo Torras

By Paul Abrahams

SPAIN'S Securities Commission has approved a bid by Kuwait Investment Office (KIO) for all the shares in Grupo Torras, the food and paper company, it does not already own...

Bossard boosts European profile with Swedish deal

By Paul Abrahams

BOSSARD Consultants, the third largest French independent consultancy group, has signed an agreement to acquire Star, the Stockholm-based strategy consultancy.

The French group has taken a 20 per cent stake in the Swedish company and expects to complete the deal by the end of next year.

the offices in West Germany and the UK were of particular interest. The West German consultancy market has proved particularly difficult to penetrate.

WORLD COMMODITIES PRICES

Table with columns: WEEKLY PRICE CHANGES, Latest prices, Change on week, Year ago, High 1989, Low 1989. Includes Gold, Silver, Copper, Nickel, Zinc, Tin, Cocoa, Coffee, Wheat, Cotton, Wool, Rubber, etc.

Table with columns: SPOT MARKETS, Crude oil, Dural, Brent Blend, WTI, CME, (WME prompt delivery per tonne CIF), Premium Gasoline, Gas Oil, Naphtina, Petroleum Argus Estimates.

Table with columns: SOYABEAN MEAL - BSE, Close, Previous, High/Low, D/tonne. Includes Soybean Meal, Soybean Oil, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, \$/barrel. Includes Crude Oil, etc.

Table with columns: LONDON METAL EXCHANGE, Close, Previous, High/Low, AM Official, Karb close, Open Interest. Includes Aluminium, Cash, Copper, Lead, Nickel, Tin, Zinc, etc.

Table with columns: FERTILISERS - BSE, Close, Previous, High/Low, \$/100 metric tons. Includes Urea, Diammonium Phosphate, etc.

Table with columns: SOYABEAN OIL - BSE, Close, Previous, High/Low, D/tonne. Includes Soybean Oil, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, \$/barrel. Includes Crude Oil, etc.

Table with columns: NEW YORK, Close, Previous, High/Low. Includes Gold, Silver, Platinum, etc.

Table with columns: SOYABEAN OIL - BSE, Close, Previous, High/Low, D/tonne. Includes Soybean Oil, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, \$/barrel. Includes Crude Oil, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, \$/barrel. Includes Crude Oil, etc.

Table with columns: COCOA 10 tonnes/tonne, Close, Previous, High/Low. Includes Cocoa, etc.

Table with columns: SOYABEAN OIL - BSE, Close, Previous, High/Low, D/tonne. Includes Soybean Oil, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, \$/barrel. Includes Crude Oil, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, \$/barrel. Includes Crude Oil, etc.

Table with columns: MAIZE 6,000 bu mtr cent/cent/bushel, Close, Previous, High/Low. Includes Maize, etc.

Table with columns: SOYABEAN OIL - BSE, Close, Previous, High/Low, D/tonne. Includes Soybean Oil, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, \$/barrel. Includes Crude Oil, etc.

Table with columns: CRUDE OIL - BSE, Close, Previous, High/Low, \$/barrel. Includes Crude Oil, etc.

HEALTH CARE The Financial Times proposes to publish this survey on: 26 JANUARY 1990 For a full editorial synopsis and advertisement details, please contact: DENIS CODY on 01-873 3301 or write to him at: Number One Southwick Bridge London SE1 9HL

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound improve

THE DOLLAR and sterling were firmer in quiet foreign exchange trading, with the pound supported by better than expected UK trade figures.

The November UK current account deficit narrowed to \$1.42bn from a revised \$1.73bn in October. The market had been looking for a figure of around \$1.5bn.

The D-Mark maintained an underlying strength however, as West German interest rates stayed firm. Call money in Frankfurt was around 8.26 per cent, holding above the 8 per cent Lombard emergency financing rate, after the Bundesbank failed to provide enough liquidity this week to absorb credit shortages caused by tax payments and banks' regular monthly commitments.

Short covering boosted the dollar. At the London close the US currency rose to DM1.6915 from DM1.6870; to ¥143.90 from ¥143.20; to SFr1.5425 from SFr1.5385; and to FFs.7850

from FFs.7850. Sterling climbed to DM2.7275 from DM2.7225 and improved to ¥231.75 from ¥231.00; to SFr2.4575 from SFr2.4525; and to FFs.9340 from FFs.9305. The pound eased slightly to \$1.6125 from \$1.6135, but on Bank of England figures sterling's index rose 0.2 to 86.0.

ON THE LONDON MONEY MARKET Interest rates showed little reaction to the UK trade figures. Three-month interbank was unchanged at 15 1/4-15 1/2 per cent.

The Bank of England continued to keep day-to-day credit conditions tight. The authorities forecast a credit shortage of around \$50m, but provided total help of only \$784m.

An early round of assistance was offered, and at that time the Bank of England bought \$277m bills, including \$277m of 14 1/4 per cent Treasury bills in band 1 at 14 1/4 per cent; \$20m Treasury bills in band 2 at 14 1/4 per cent; and £148m bank bills in band 2 at 14 1/4 per cent. Another £20m bills were purchased, for resale to the market on January 8, at a rate of 14 1/4 per cent.

During the morning the authorities bought another £132m bills outright, via £127m bank bills in band 1 at 14 1/4 per cent, and £5m bank bills in band 2 at 14 1/4 per cent.

In the afternoon the bank of England bought £228m bills, by way of \$58m bank bills in band 1 at 14 1/4 per cent; \$50m Treasury bills in band 2 at 14 1/4 per cent; and £171m bank bills in band 2 at 14 1/4 per cent. Late assistance of around \$70m was also provided. Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained \$399m, with the unwinding of bill repurchase agreements absorbing \$58m, a rise in the bank of England's £228m bills, and bank balances below target \$58m. These outweighed Exchequer transactions adding £1,050m to liquidity.

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£ IN NEW YORK

Dec 29	Low	High	Prev
1 month	1.6125-1.6135	1.6145-1.6155	1.6135
3 months	1.6135-1.6145	1.6145-1.6155	1.6135
6 months	1.6145-1.6155	1.6155-1.6165	1.6135
12 months	1.6155-1.6165	1.6165-1.6175	1.6135

STERLING INDEX

Dec 29	Prev
8.30	85.8
10.00	85.8
11.00	85.8
12.00	85.8
1.00	85.8
2.00	85.8
3.00	85.8
4.00	85.8

CURRENCY RATES

Dec 29	Bank	Spot	3 months	6 months	12 months
US Dollar	1.6125	1.6125	1.6135	1.6145	1.6155
DM	1.6915	1.6915	1.6925	1.6935	1.6945
Yen	143.90	143.90	144.00	144.10	144.20
SFr	1.5425	1.5425	1.5435	1.5445	1.5455
FF	785.00	785.00	786.00	787.00	788.00

CURRENCY MOVEMENTS

Dec 29	Bank	Change
US Dollar	1.6125	+0.0010
DM	1.6915	+0.0010
Yen	143.90	+0.70
SFr	1.5425	+0.0010
FF	785.00	+0.00

OTHER CURRENCIES

Dec 29	Low	High	Prev
Argentine	200.00	200.00	200.00
Australian	1.5000	1.5000	1.5000
Belgian	33.33	33.33	33.33
Canadian	0.7500	0.7500	0.7500
Swedish	8.0000	8.0000	8.0000

FORWARD RATES AGAINST STERLING

Spot	1 month	3 months	6 months	12 months
US Dollar	1.6125	1.6135	1.6145	1.6155
DM	1.6915	1.6925	1.6935	1.6945
Yen	143.90	144.00	144.10	144.20

WESTERN AUSTRALIA

The Financial Times proposes to publish a Survey on the above on 19th January 1990

For a full editorial synopsis and advertisement details, please contact: Penny Scott on 01-873 3595 or write to her at: Number One, Southwark Bridge, London SE1 9HL.

FINANCIAL TIMES

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Dec 29	Day's	One month	Three months	Six months	One year
US	1.6125-1.6135	1.6135-1.6145	1.6145-1.6155	1.6155-1.6165	1.6165-1.6175
DM	1.6915-1.6925	1.6925-1.6935	1.6935-1.6945	1.6945-1.6955	1.6955-1.6965
Yen	143.90-144.00	144.00-144.10	144.10-144.20	144.20-144.30	144.30-144.40

POUND SPOT-FORWARD AGAINST THE POUND

Dec 29	Day's	One month	Three months	Six months	One year
US	1.6125-1.6135	1.6135-1.6145	1.6145-1.6155	1.6155-1.6165	1.6165-1.6175
DM	1.6915-1.6925	1.6925-1.6935	1.6935-1.6945	1.6945-1.6955	1.6955-1.6965
Yen	143.90-144.00	144.00-144.10	144.10-144.20	144.20-144.30	144.30-144.40

EUROPEAN CURRENCY UNIT RATES

Dec 29	ECU	Change
US Dollar	1.6125	+0.0010
DM	1.6915	+0.0010
Yen	143.90	+0.70

EURO CURRENCY INTEREST RATES

Dec 29	Short term	7 days	One month	Three months	Six months	One year
US	8.00	8.00	8.00	8.00	8.00	8.00
DM	8.00	8.00	8.00	8.00	8.00	8.00
Yen	8.00	8.00	8.00	8.00	8.00	8.00

EXCHANGE CROSS RATES

Dec 29	£	\$	DM	Yen	SFr	FF	Lin	CS	SP
US	1.6125	1.6125	1.6135	1.6145	1.6155	1.6165	1.6175	1.6185	1.6195
DM	1.6915	1.6915	1.6925	1.6935	1.6945	1.6955	1.6965	1.6975	1.6985
Yen	143.90	143.90	144.00	144.10	144.20	144.30	144.40	144.50	144.60

FT WORLD INTERBANK FIXING

Dec 29	3 months	6 months	12 months
US	8.00	8.00	8.00
DM	8.00	8.00	8.00
Yen	8.00	8.00	8.00

MONEY RATES

Dec 29	Overnight	7 days	One month	Three months	Six months	One year
US	8.00	8.00	8.00	8.00	8.00	8.00
DM	8.00	8.00	8.00	8.00	8.00	8.00
Yen	8.00	8.00	8.00	8.00	8.00	8.00

LONDON MONEY RATES

Dec 29	Overnight	7 days	One month	Three months	Six months	One year
US	8.00	8.00	8.00	8.00	8.00	8.00
DM	8.00	8.00	8.00	8.00	8.00	8.00
Yen	8.00	8.00	8.00	8.00	8.00	8.00

FT-SE 100

Dec 29	High	Low	Prev
FT-SE 100	2450	2440	2445
FT-SE 250	1200	1190	1195
FT-SE 500	600	590	595

FINANCIAL FUTURES AND OPTIONS

Dec 29	High	Low	Prev
US Dollar	1.6125	1.6125	1.6125
DM	1.6915	1.6915	1.6915
Yen	143.90	143.90	143.90

LONDON (LUFFE)

Dec 29	High	Low	Prev
US Dollar	1.6125	1.6125	1.6125
DM	1.6915	1.6915	1.6915
Yen	143.90	143.90	143.90

CHICAGO

Dec 29	High	Low	Prev
US Dollar	1.6125	1.6125	1.6125
DM	1.6915	1.6915	1.6915
Yen	143.90	143.90	143.90

FT WORLD CURRENCIES

Dec 29	High	Low	Prev
US Dollar	1.6125	1.6125	1.6125
DM	1.6915	1.6915	1.6915
Yen	143.90	143.90	143.90

LONDON TRADED OPTIONS

Dec 29	High	Low	Prev
US Dollar	1.6125	1.6125	1.6125
DM	1.6915	1.6915	1.6915
Yen	143.90	143.90	143.90

BASE LENDING RATES

Dec 29	High	Low	Prev
US Dollar	8.00	8.00	8.00
DM	8.00	8.00	8.00
Yen	8.00	8.00	8.00

GRANVILLE SPONSORED SECURITIES

High	Low	Company	Price	Change	Yield	Div	P/E
343	295	Am. Int. Ind. Ord.	337	0	10.3	3.1	9.1
230	199	Am. Int. Ind. Ord.	225	0	4.0	2.5	10.6
122	102	Barton Group Div Prof (SE)	108	+1	4.7	6.2	-
125	74	Bray Technology	78	-1	9.9	7.6	6.9
130	98	Brenthill Div. New C.C.P.	99	0	11.0	11.1	-
304	205	CCF Group Ordinary	310	0	14.7	4.7	3.8
174	148	CCF Group 15% Prof (SE)	173	0	14.7	6.5	12.4
225	140	Carbo Pk (SE)	170	0	7.4	1.4	12.4
110	109	Carvo 7.5% Prof (SE)	110	0	10.3	9.4	-
7.5	7.5	Chapman & Co. Prof	7.5	0	-	-	0.75
130	119	Chapman & Co. Prof	120	0	0.0	6.7	6.9
145	98	Chapman & Co. Prof	108	0	3.6	3.3	12.6
222	210	Chapman & Co. Prof	209	0	10.0	6.8	5.4
158	98	Chapman & Co. Prof	108	0	18.7	5.1	9.8
467	365	Chapman & Co. Prof	370	0	8.3	3.1	10.4
117	108	Chapman & Co. Prof	110	0	10.7	10.3	-
122	75	Chapman & Co. Prof	75	0	2.7	3.1	-
180	166	Chapman & Co. Prof	160	0	9.3	5.8	-
395	365	Chapman & Co. Prof	366	0	22.0	6.2	9.4
370	305	Chapman & Co. Prof	305	0	16.2	5.3	25.4

IG INDEX

Dec 29	High	Low	Prev
IG Index	100	100	100
FT-SE 100	2450	2440	2445
FT-SE 250	1200	1190	1195

CABLE TELEVISION AND SATELLITE BROADCASTING

LONDON
28 February & 1 March 1990

Speakers include:
Mr David Mellor, ac, mp
Minister of State of the Home Office
Responsible for Broadcasting

Madame Catherine Tasca
Ministre Délégué Chargé de la
Communication, France

Dr Pierre Meyrat
Société Européenne des Satellites

Mr Andrew Neil
Sky Television PLC

Mr Anthony Simonds-Gooding
British Satellite Broadcasting Limited

Mr Michael Checkland
British Broadcasting Corporation

Mr Richard Dunn
ITV Association/Thames Television PLC

M. Marc Tessier
Canal Plus International

Mr Francis Baron
WHS TV

Lord Rees-Mogg
Broadcasting Standards Council

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126 Jermyn Street, London SW1Y 4JH
Alternatively, Telephone: 01-825 2323
Telex: 27347 FTCONF G SWHY 2125

BASE LENDING RATES

Dec 29	High	Low	Prev
US Dollar	8.00	8.00	8.00
DM	8.00	8.00	8.00
Yen	8.00	8.00	8.00

GRANVILLE SPONSORED SECURITIES

High	Low	Company	Price	Change	Yield	Div	P/E
343	295						

WORLD STOCK MARKETS

US MARKETS (3pm)

Table of US stock market data including DOW JONES, S&P 500, and various sector indices.

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INDICES

Table of various stock market indices including DOW JONES, S&P 500, and regional indices.

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Table of various stock market indices including DOW JONES, S&P 500, and regional indices.

Base values of all indices are 100 except NYSE All-Company—50; Standard and Poor's—100; and Toronto Composite and Metals—1000. The indices are based on 1973 and Montreal Portfolio 4/1/80. Excluding bonds: Industrial, plus Utilities, Financials and Transportation. (C) closed, (D) Unavailable.

Handwritten signature or mark at the bottom center of the page.

WORLD STOCK MARKETS

Facts and figures of the decade to keep the prediction seekers at bay

QUESTION: which established equity market rose by more than 20,000 per cent during the 1980s? Answer: Mexico.

QUESTION: Which established equity market produced the poorest sterling returns over the decade? Answer: Mexico.

QUESTION: which European market was the worst performer during the period 1980 to 1989? Answer: Austria.

QUESTION: which European market has been the outstanding performer during 1989? Answer: Austria.

QUESTION: which European market has been the most underperformer during 1989? Answer: Austria.

QUESTION: which European market has been the most underperformer during 1989? Answer: Austria.

Table: Annualised Sterling Returns in the 1980's. Lists countries like Japan, Sweden, Spain, Belgium, Italy, Netherlands, UK, Denmark, France, Norway with their respective percentages.

Yes, something new is stirring in the world's financial markets. New markets are coming to the fore; new patterns are emerging within markets.

Anything to divert attention. Anything which will stave off the necessity of making predictions - particularly predictions concerning the next decade.

Adrian FitzGerald proffers a salutary reminder of the remarkable effect that currency movements can have on returns

been far and away the most lucrative of the major markets during the decade. Sterling returns from Japan have averaged a massive 32.4 per cent.

have averaged 21.6 per cent, again boosted by exchange rate movements.

Within that total, 45.5 per cent has come from the US, 49.0 per cent from continental Europe and just 16.2 per cent from Japan.

Will the new decade at last see the flood of Japanese money into overseas equity markets? Certainly, 1989 will have given Japanese investors food for thought.

have underperformed the FT-SE majors by 12.0 per cent, thus reversing the consistent pattern evidenced during the rest of the decade.

Adrian FitzGerald is director of quantitative research at County NatWest Wood Giff. Total return figures for 1989 relate to the relevant indices in the FT-A World Index series.

AMERICA

Dow rises on position-squaring

Wall Street A SPRINKLING of year-end buying pushed prices modestly higher on Wall Street yesterday morning, but most investors stayed on the sidelines before the new year holiday weekend.

three, but this figure was not considered significant because of year-end considerations.

4% to 84%. IBM also advanced 1/4 to 204 1/2, while Coca-Cola rose 1/4 to 77 and Philip Morris was up 1/4 to 44 1/4.

sector, where Homestake Mining rose 1/4 to 19 1/4.

EUROPE

Scandinavia shines at close of year

THE YEAR ended with some strong performance in Scandinavia and subdued trading in the larger bourses.

GERMAN TURNOVER almost doubled this year, according to the Federation of West German Stock Exchanges, swelled both by demand for shares as prices rose strongly and by active selling during the mini-crash of October 16.

of higher interest rates. AMSTERDAM suffered computer problems which disrupted and curtailed trading.

benefited from the lack of sellers as buying orders pushed it up to F141.50.

ASIA PACIFIC

Nikkei scales fourth peak in a row

Tokyo OVERCOMING concerns about the yen's weakness, the Japanese market closed the year with a flourish, with share prices marking a fourth consecutive high in a half-day session.

Among other heavily capitalised issues, however, steels were generally neglected.

after a curtailed trading day, the All Ordinaries index closed 0.2 higher at 1,649.0 to give a year's gain of 10.9 per cent.

NEW ZEALAND gained ground in a thin, half-day session. The Barclays index rose 6.07 to 1,994.46 for a year's advance of just 8.4 per cent.

APPOINTMENTS

Radio Authority post

Mr Richard Hooper, director of media and communications for PA Consulting Group, and a non-executive director of British Airways, has been appointed to the RADIO AUTHORITY.

Chairman of new company Satchi & Satchi's public relations companies, Gerard Rowland Communications and Kingsway Rowland, have merged to form THE ROWLAND COMPANY.

Mr Philip Guy, who joined HILL SAMUEL BANK on November 1, will succeed Mr Peter Whitham as head of treasury on January 1.



Mr Richard J.G. Hedley (above) has been appointed managing director of SA CHEMICALS, Gerard Cross, headquaters of Alkali Chemicals, is sales director, and joined the company in 1986.

FT-ACTUARIES WORLD INDICES

Table: FT-ACTUARIES WORLD INDICES. Columns include National and Regional Markets, Thursday December 28 1989, Wednesday December 27 1989, Dollar Index, and Year (average).

RESTAURANTS

Mr Michael Cowie has resigned as finance secretary of the company from December 31.

RESTAURANTS

Mr Richard D. Reader has been appointed head of business issues in the corporate affairs directorate at BRITISH GAS.

RESTAURANTS

Mr John Kerr has been appointed an executive

RESTAURANTS

Mr John Kerr has been appointed an executive



Mr Robin Rogers, a managing director at RUSSELL REYNOLDS ASSOCIATES, London, is moving to the company's Sydney, Australia, office in January.

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هكذا احد النصل

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2125

Main table containing unit trust information with columns for Unit Trust Name, Code, Price, and Change. Includes sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-425-2138

Main table containing unit trust information with columns for Name, Price, Offer, Yield, and other financial metrics. Includes sub-sections for Offshore and Overseas, and Guernsey (GDR Recognised).

OFFSHORE AND OVERSEAS

GUERNSEY (GDR RECOGNISED)

MANAGEMENT SERVICES

SWITZERLAND (GDR RECOGNISED)

CANADA (GDR RECOGNISED)

GUERNSEY (GDR RECOGNISED)

MANAGEMENT SERVICES

SWITZERLAND (GDR RECOGNISED)

CANADA (GDR RECOGNISED)

GUERNSEY (GDR RECOGNISED)

MANAGEMENT SERVICES

SWITZERLAND (GDR RECOGNISED)

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SWITZERLAND (GDR RECOGNISED)

CANADA (GDR RECOGNISED)

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MANAGEMENT SERVICES

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

Table of London Share Service, including sections for British Funds, Loans, Foreign Bonds & Rails, Americans, and Money Market Bank Accounts.

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LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies such as 3M, Alcoa, Amgen, and their share prices.

BUILDING, TIMBER, ROADS - Contd

Table listing companies in the building, timber, and roads sectors.

DRAPERY AND STORES - Contd

Table listing companies in the drapery and stores sectors.

ENGINEERING - Contd

Table listing companies in the engineering sector.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial companies.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial companies.

CANADIANS

Table listing Canadian companies such as Alcan, Bell Canada, and their share prices.

ELECTRICALS

Table listing electrical companies.

ELECTRICALS

Table listing electrical companies.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies.

HOTELS AND CATERERS

Table listing hotels and caterers.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies.

DRAPERY AND STORES

Table listing drapery and stores companies.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies.

INSURANCES

Table listing insurance companies.

INSURANCES

Table listing insurance companies.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads companies.

ENGINEERING

Table listing engineering companies.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies.

INDUSTRIALS (Misc.)

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Havel elected Czechoslovak President

By A. H. Hermann in Prague

THE PLAYWRIGHT Vaclav Havel was elected President of Czechoslovakia yesterday — the country's first non-communist president since 1948. The new President had been jailed for five years for his human rights activities by the previous Communist regime.

The 523 members of the Federal Assembly, Czechoslovakia's national parliament, elected Mr Havel at a ceremonial session at Prague Castle. He was sworn in after being ushered to the dais by Mr Alexander Dubcek, who returned to public office as Assembly chairman on Thursday, two decades after his "Prague Spring" reform movement was crushed in 1968 by the Soviet-led invasion.

Mr Havel, addressing a jubilant crowd from the balcony of Prague Castle after the ceremony, made the shortest and probably the most memorable speech made from that place. The former dissident thanked the tens of thousands who packed into the castle courtyard for their support. He said: "I promise that I will not fail you and will take the country

to free elections. This will have to be achieved in a decent and peaceful manner, without soil- ing the clean face of our revolution."

The cheering crowd, waving blue, red and white national flags, chanted: "The Moment has Come!" and "Long Live the President!" as President Havel and his wife, Olga, stood on the balcony. Later in the cathedral, across the courtyard, Cardinal Tomashek, Archbishop of Prague, emphasised that the country needed security and the rule of law.

In contrast to the bloodbath in Romania, the lesson read from the pulpit was from St Paul to the Thessalonians: "Do not take revenge on your enemies."

The 14th century cathedral reverberated with the singing of a *Te Deum*, followed by the hymn invoking the protection by Wenceslas, the patron saint of the Czechs.

It was a remarkable day and most of the population watched the events on television.

The day had started with government members and the

presidential candidate arriving in an ordinary Prague bus — although one reserved exclusively for them — instead of the usual official limousines.

The election of President Havel was warmly proposed by Mr Marian Calfa, the Communist Premier, in words appreciating Havel's merits as a person who had braved persecution and imprisonment. There was no other candidate, and the election by the Assembly, consisting of the Chamber of the People and the Chamber of the Nationalities, was unanimous.

Amid the general elation now sweeping the country, few are inclined to dwell on the fact that the same Assembly would have been unanimous in condemning the playwright only six weeks ago.

President Havel will visit East and West Germany next week. He will meet Mr Manfred Gerlach, East Germany's acting head of state, on Tuesday morning, and then go to Munich for talks with President Richard von Weizsacker of West Germany and Chancellor Helmut Kohl.

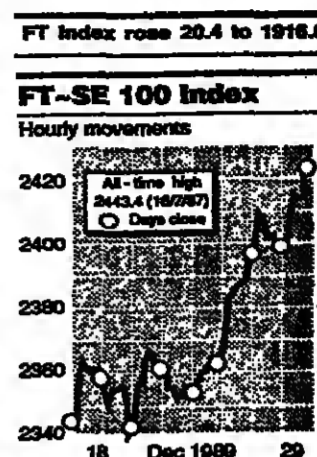


Victory salute: Vaclav Havel on the balcony of Prague Castle

A glimmer of hope for 1990

In this season of festive merriment, it was easy for the markets to get carried away with yesterday's trade figures. Bad as they were, they were better than expected and traders duly carried the FT-SE to within three points of its yearly high and 1 per cent of its all-time peak. The figures are as unpredictable as ever; erratic items contributed around two-thirds of the improvement over October and imagine how high base rates would have had to rise if July's deficit had actually been announced as £2.49bn, as the revisers now have it.

What was most cheering was confirmation that manufacturers are switching to overseas sales because UK demand has slipped. Export volumes were 7 per cent higher in the September-October period than in the previous three months, while import volumes fell 0.5 per cent over the same period. The prospects for a continuation of this improvement in 1990 are good, sterling is still falling, European demand is still strong and UK consumer spending is going to remain depressed for some time. But there must be doubts over the cosy equation of a 1990 soft landing followed by a 1991 production boom. Even a halved trade deficit of £10bn in 1990 would be a shaky foundation on which to reflate the economy and inflation is far from licked. Food prices are on an upward trend, wage rises are stubbornly high and the effects of a falling pound will eventually work through the system.



is over the worst, but it will be a couple of years at least before pre-tax profits are back to last year's depressed levels. Even if the bid is not referred to the Monopolies and Mergers Commission, Kingfisher is not going to give up its current offer. But it would need the emergence of a rival bidder from somewhere like the Far East, if Dixons was to be taken out above £2 per share.

same year Glaxo alone spent £370m, not including R&D of £30m. But forget the question of how much BR should be shelling out: just how will it fund its investment programme, such as it is? After all, BR's Government grant will fall from £575m in 1989-90, to £342m in 1990-91. One would assume BR expects property sales and external borrowings to fill the gap, as it struggles to pay for capital spending due to peak at £95m three years from now. Not a bit of it. Cash realised from BR's sales of its non-operational land is due to fall away, from £277m this year, to £181m in 1990-91.

True, external borrowings will rise, from £66m in 1989-91, to three times that at the end of the five-year plan. But the figures suggest that in fact BR is banking on a huge swing in the gross cash-flows — defined as profits or losses before Government grants, plus depreciation — registered by its rail operations. BR thinks they will turn from a negative £300m last year, to a positive £138m in 1992-93.

Basic business-school thinking suggests there are very few ways a management can achieve that. Productivity gains? Perhaps. But the last five years' data, in BR's own accounts, suggest that BR's productivity improvements have mostly come from job losses; yet BR only expects staff numbers to fall about 1 per cent per annum. A boom in rail travel? Maybe; but BR admits that its own assumption, of 2.7 per cent per annum UK economic growth for five years, is far too optimistic. That just leaves price increases to do the trick, on a scale much greater than BR and Mr Parkinson have been prepared to admit.

D-Mark ends year on strong note

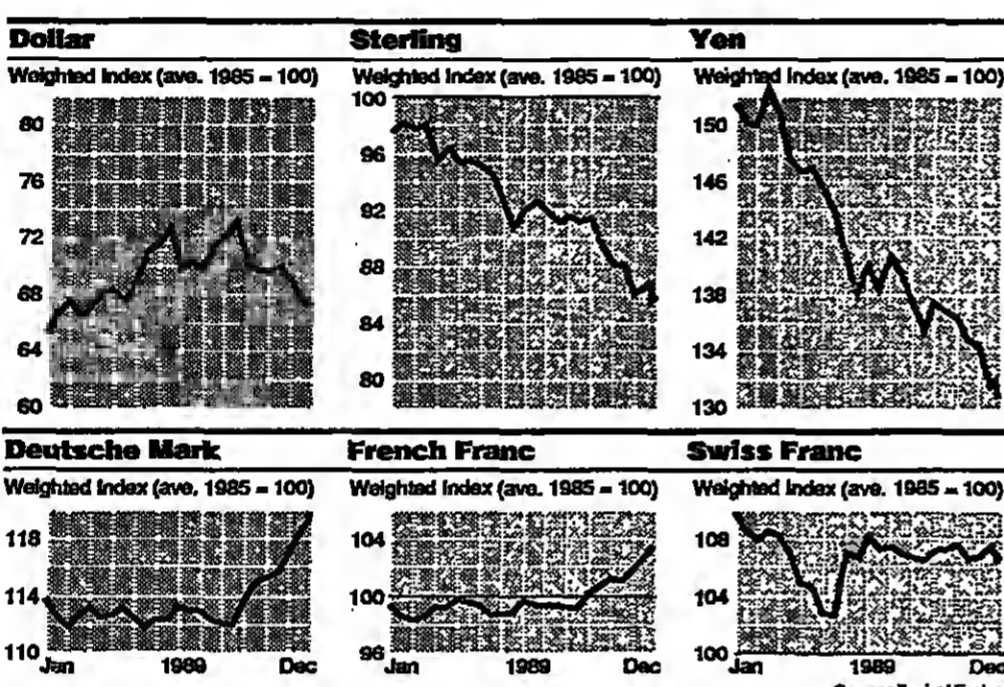
THE YEAR in the foreign exchange markets ended with the tumultuous events in eastern Europe pushing the D-Mark back among the world's hardest currencies after many months in which a strong dollar appeared to dominate. Peter Norman, Economics Correspondent, writes.

During the year, interest rate differentials and political uncertainties alternated as the main influences on currency values, until the Berlin Wall was breached in November. This prompted a significant market re-rating of West Germany's currency and economic outlook.

The D-Mark ended the year just under Thursday's record high against sterling, near a 3½-year high against the Swiss franc and around its highest level for the year against several other currencies. Even before the political liberation of eastern Europe gave the West German currency a psychological boost — on expectations that the country will benefit the most economically — interest rate differentials were already working in the D-Mark's favour.

The gap between short-term dollar and D-Mark interest rates narrowed to an average 0.1 percentage points in the second half of 1989, from 2 percentage points in the first six months of the year, according to the Organisation for Economic Cooperation and Development.

The currencies participating



Maxwell to promote buy-out at The People

By Raymond Snoddy

MR Robert Maxwell, the publisher, yesterday announced plans for a management buy-out at The People, the popular Sunday newspaper.

The move, the first of its kind in the UK national newspaper industry, is part of a large-scale reorganisation at Mirror Group Newspapers (MGN) involving substantial investment in its three national titles, the others being the Daily and Sunday Mirror.

As a result, Mr Maxwell said the previously-announced flotation of the group would be postponed from next year until 1991.

Mr Maxwell made it clear that yesterday's announcements were the first stage in a significant reorganisation that would clear the decks for younger management. The chairman of Maxwell Communication Corporation, who is 67, said all employees over 60 would be going. He even hinted that he intended to give up day-to-day running of the company but declined to say when.

As part of the reorganisation, Mr Richard Stott, a successful editor of the Daily Mirror, will become editor of The People — a post he has held before. His brief is to "restore it to its role as an entertaining, investigative and informative newspaper."

Mr Stott will have a profit participation scheme at first but will also lead a management buy-out at the paper within two years. Mr Maxwell said that he would keep a minority stake.

Mr Roy Greenslade, associate editor of the Sunday Times, who has worked on the Daily and Sunday Mirror and The Sun, becomes editor of the Daily Mirror.

Between June and November, the Sunday Mirror increased its circulation to 2,957,520 compared to 2,981,857 in the same period in 1988. The People circulation fell from 2,743,253 to 2,641,379.

© Sales of the Sunday Correspondent at the weekend were higher than newspaper industry sources predicted earlier this week. The Correspondent says it sold 256,000 — considerably above the 240,000 figure rivals were suggesting.

in the exchange rate mechanism of the European Monetary System (EMS) have so far stayed in step with the D-Mark, in spite of its strength and the June entry of the Spanish peseta into the system. As both the West German Bundesbank and French finance ministry have ruled out a realignment in the near future, the D-Mark, the Dutch guilder, the French, Belgian and Luxembourg francs, the

Danish krone, the Irish pound and Italian lira now look likely to complete three full years of unchanged EMS parities in mid-January.

Such stability eluded sterling in spite of two increases in bank base rates to 15 per cent and substantial Bank of England support. Weighed down by the £200 annual current account deficit, persistently high inflation and doubts over the Government's

re-election prospects, the pound's trade weighted value dropped 11.7 per cent over the year.

The yen was sterling's unlikely bedfellow as a declining currency. Low yen interest rates and the political fall-out of the Recruit scandal were the decisive factors, rather than the steady month-on-month decline in Japan's current account surplus.

Currencies, Page 11

ern Australia Supreme Court in Perth, the base of Mr Bond's operations.

Mr Peter Lucas, a senior Bond executive, said: "In theory, if [the appointment of the receiver] could trigger the repayments of every other [loan] facility we have, it could bring Bond down."

The Australian Stock Exchange suspended trading in the shares of Bond Corporation and Bell Resources its 58 per cent owned subsidiary following the bank's request for a receiver.

The NAB's move also reflects frustration and concern about Mr Bond's inability to conclude the long-expected AS&N-plus sale or partial sale of the brewing assets is crucial to a debt repayment plan.

With the threat of the appointment of a receiver hanging over its head, Bond Corporation announced a conditional plan to dispose of the

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)		PARIS (FFrs)	
Bayer	567 + 9	Elf	48 + 2.3
BMW	454 + 19	Elf	2200 + 198
MAN	454 + 19	Elf	457 + 25.3
BHF-Bank	451 + 17	Elf	
DLW	700 - 10	Jean Leclercq	1275 - 61.3
Hoesch	261 - 8	Penhoet	612 - 27.7
KHD	228 - 10	Suez OS	7.5 - 1.9
NEW YORK (\$)		TOKYO (Yen)	
Am Express	34.4 + 1/2	Chori	1630 + 150
Champion Ship	19.5 + 1/2	C helix	1300 + 20
Homestake Mng	44.5 + 1/2	Kanda Tsushin	1230 + 130
Phillip Morris	44.5 + 3/4	Kyosha Cable	2290 + 290
Phelps	44.5 + 1/2	Surugaya	1180 + 100
Investor Inds	44.5 + 1/2	Tomogawa	1050 + 107
Smith Int.	12.5 - 3/4		

NEW YORK PRICES AT 12.30

LONDON (Pence)		Royal Inds	
BP	257 + 10	Shell	468 + 10
Capital Radio	980 + 39	Unilever	728 + 13
Coopers	292 + 17	Yorks Water	174 + 5
Gen Acc	1240 + 17		
Granada	338 + 10		
Land Sacs	537 + 7		
Nat West	347 + 7		
Pickwick	328 + 12		
RMC	694 + 15		

Bond Continued from Page 1

breweries to Bell Resources a matter of hours before the NAB acted.

Bond Corporation recently failed to reach agreement with Lion Nathan, the New Zealand brewing group, for the sale of 50 per cent stake in the Bond brewing business.

Mr Bond's UK investments have been reduced to a 36 per cent interest in British Satellite Broadcasting, in which Pearson, the owner of the Financial Times, has a holding. He has £154m in BSB and is negotiating for the sale of the stake.

He also has a 48 per cent interest in Airship Industries and is finalising plans for the sale of a reinsurance group.

Mr Bond also owns a telephone network in Chile and Heilmann Brewing of the US. His Australian interests include diversified mining activities, a television network and newspaper holdings.

WORLDWIDE WEATHER

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Abaco	28	14	57	Dallas	1	11	50
Adana	15	11	29	Doha	27	11	50
Algeria	15	11	29	Edinburgh	8	11	50
Almaty	15	11	29	Geneva	8	11	50
Amman	15	11	29	Hamburg	8	11	50
Ankara	15	11	29	Helsinki	8	11	50
Antwerp	15	11	29	Hong Kong	22	11	50
Athens	15	11	29	Houston	22	11	50
Auckland	15	11	29	London	8	11	50
Bahia	15	11	29	Los Angeles	18	11	50
Bangkok	28	11	50	Madrid	15	11	50
Barcelona	15	11	29	Moscow	15	11	50
Bombay	28	11	50	Nairobi	15	11	50
Buenos Aires	15	11	29	Osaka	15	11	50
Calcutta	28	11	50	Paris	8	11	50
Cairo	15	11	29	Perth	15	11	50
Canton	28	11	50	Porto	15	11	50
Chongqing	28	11	50	Rangoon	28	11	50
Columbus	28	11	50	Reykjavik	8	11	50
Delhi	28	11	50	Rome	15	11	50
Dhaka	28	11	50	Sao Paulo	15	11	50
Dublin	8	11	50	Seoul	15	11	50
Frankfurt	8	11	50	Singapore	28	11	50
Geneva	8	11	50	Sydney	15	11	50
Hankow	28	11	50	Taipei	15	11	50
Hong Kong	22	11	50	Tokyo	15	11	50
Houston	22	11	50	Yokohama	15	11	50
London	8	11	50				

C - Cloudy, D - Drizzle, F - Fog, H - Hail, R - Rain, S - Snow, T - Thunder, ? - Heavy Mist, temperature

BANGKOK 28°C 82°F Sunny
Fly Thai 01-499 9113

Steel knighthood Continued from Page 1

Business figures receiving knighthoods include Mr Michael Angus, chairman of Unilever. Mr Trevor Chinn, chairman of Lex Services, Mr Derek Hornby, chairman of Bank Xerox (UK), Mr Frank Lamp, chairman of Bovis Construction and Mr John Quinton, chairman of Barclays Bank.

Other new knights include Mr George Turnbull, chairman and chief executive of Inchcape, Mr John Swire, president of John Swire, Mr Robert Easton, chairman and managing director of Yarrow Shipbuilders and Mr Gordon Jones, chairman of the Water Authorities Association and of newly-privatised Yorkshire Water. Mr Gordon Pepper, senior adviser to Midland Montagu, becomes a CBE.

Life peerages go to Admiral Sir John Fieldhouse, who retired last year as chief of the defence staff, Miss Daphne Park, the former principal of Somerville College, Oxford, where Mrs Thatcher studied, and Sir Francis Tombs, chairman of T&N and of Rolls-Royce and also chairman of the government's advisory committee on science and technology.

Sir Nicholas Lyell, the Solicitor General, is made a privy counsellor, as are Mr John Paton, the Home Office minister and Mr William Waldegrave, Minister of State at the Foreign and Commonwealth Office.

There are political knighthoods for Dr Alan Glyn, a Conservative MP since 1959, Mr Charles Irving, the Conservative MP for Cheltenham, who is credited with making profitable the Commons catering facilities, and Mr John Wheeler, MP for Westminster North and chairman of the Commons home affairs select committee.

Other new knights include Mr Christopher Prout, leader of Conservative Euro-MPs in Brussels, Mr Paul Beresford, leader of Tory-controlled Wandsworth council, and Mr William Morton, leader of Northamptonshire county council. There is also a knighthood for

Colonel David Stirling, the founder of the Special Air Service.

The arts are well represented, with a knighthood for V S Naipaul, the author. Miss Maggie Smith, the actress, becomes a Dame Commander of the British Empire.

Mr Ian Hamilton Fazey, northern correspondent of the Financial Times since 1986 and a former general manager of the Liverpool Daily Post and Echo, becomes an OBE. Mr Chris Moncrieff, chief political correspondent of the Press Association, receives a CBE.

Mr John Smith, chairman of Liverpool Football Club, receives a knighthood and Mr Tony Jacklin, captain of the successful British Ryder Cup team, becomes a CBE.

There are OBEs for Mr Sebastian Coe, the athlete and aspiring MP, and Mr Bryan Robson, the England football captain, while MBEs go to Mr Frank Bruno, the boxer, and athlete Mr Linford Christie.

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Weekend FT

SECTION II

Weekend December 30/January 31, 1989

Armageddon and the Greens

THOSE PROFOUND anxieties which the Green movement has implanted in Western consciousness during the 1980s are often thought to have their origins in the discoveries of science, and so in a sense they do. However, the fear of natural catastrophes also has a much older cultural history associated with apocalyptic vision and the approach of a millennium.

Indeed, the parallels between the modern Green movement and the holy fear of Armageddon are much closer than most people think, even though the recent political rise of the Greens has been quite sudden.

TALK OF sea levels rising, forests disappearing and the planet heating up are just some of the environmental issues that have become front page news. President George Bush, Mikhail Gorbachev, and Mrs Thatcher, are all giving serious attention to these anxieties. Greens are being elected to parliaments across Europe. Magazines are running cover stories with headlines such as "The World is Dying" and "SOS - Earth." It is fashionable to be Green, and to believe in dire forecasts.

Indeed, the dangers are real. But the language, imagery and philosophy of the Green movement has a religious flavour placing it firmly in the millenarian tradition. The events which have catapulted the Green movement from obscurity to prominence are precisely those which, in 1000 AD, were seen as portents of the apocalypse. And the ending of a 1,000-year period makes us unusually receptive to an urgent, frightening, message.

Since ancient times, a thousand years has marked "divine time," associated with the coming of the Messiah and the end of the world. In Pre-Christian Judaism, the world was said to be divided into seven days of 1,000 years each, followed by an eternal eighth day. Early Christian millenarians inserted the Messiah into the 7th millennial day, (which, according to the Jewish calendar, would be only 200 years from now).

For early Christians, the millennium took on apocalyptic meaning. The Book of Revelation, chapter XX, says Christ will return and rule in a paradise on earth for 1,000 years, followed by the day of final judgment. This period of Christ's 1,000-year reign on earth, known as the millennium, is, according to religious fundamentalists, a time of "clean, verdant countryside, of restored, neatly organised and crime-free cities" - a veritable green paradise.

While the literal interpretation of the millennium is no longer widespread, the legend of a 1,000-year period has endured. St Peter wrote that "one day with the Lord is like a

thousand years." Nostradamus wrote a 1,000 prophecies. Hitler's Third Reich was meant to last for a 1,000 years. The emotive power of the number alone assures that the year 2000, like the year 1000 before it, will focus attention on our collective fate.

Indeed, the year 2000 has a doomsday folklore already - stretching from Nostradamus' prediction in 1568 that "in the year 1999 and seven months, from the sky will come the great King of Terror" to Stanley Kubrick's apocalyptic film 2001. Only this year, Martin Amis published London Fields, an end-of-the-world tale set in 1999.

Similar predictions were rife at the end of the last millennium. St Augustine, writing in the late 4th century, said that the millennium of Christ's rule on earth had begun with his birth - hence the world should end around the year 1000. By the 7th and 8th centuries, the year

Europe... a terrifying comet appeared in the sky... many who thought that it proclaimed the last day were frozen with fear.

The Green agenda harkens back to such millenarian themes. The very events which were supposed to presage Armageddon are the ones we now call green. Ozone depletion and the greenhouse effect will melt the ice caps (floods), shift agricultural patterns (famines), change sea levels and weather patterns (storms) and increase skin cancer, cataracts, and weaken the immune system (plagues).

Global warming is a new topic supported by old fears. In the same way that AIDS evokes a fear of a plague, and nuclear weapons conjure Armageddon, the prospect of drastic climatic change makes us recall biblical prophecies such as Noah's Ark.

In contrast, the more mundane environmental concerns have failed

The philosophy of the green movement is deeply religious; consumption is sinful, simplicity virtuous. Like the Garden of Eden, the earth is said to be ruined by human folly. The Green message appeals to our deep-rooted fear of retribution; environmental blight is a punishment for excessive consumerism, lack of spirituality, wastefulness. We should repent, and mend our ways.

The message that overindulgence has led us into environmental hell is easy to digest and profound. At the same time, the Green movement has failed to win universal support partly because it accuses ordinary people of being materialistic in a somewhat hollow and shallow way. Jonathan Porritt, one of the leaders of the British Green movement, strikes a positively evangelical tone. His "minimum criteria for being green" include "a reverence for the Earth and all its creatures" and "an emphasis on spiritual development."

In many respects, science is to the second millennium what religion was to the first. In the 10th century, theologians possessed knowledge not available to the lay population. Monks debated the timing, scale, and warning signals of the apocalypse, but ordinary people were simply instructed to await Armageddon. Religion was fact, heretical to question. When religious leaders interpreted natural events, their observations turned into popular expectations.

Today, our faith is in science. Even though scientists cannot forecast tomorrow's weather, we believe their predictions of global warming because their technical expertise seems unassailable. Vastly oversimplified scientific hypotheses, are translated into public opinion by the mass media. And while scientists sit through hundreds of scenarios, only the most terrifying ones grab the headlines.

Ironically, while scientists are least likely to believe in the significance of a particular date, they have unwittingly created part of the mystique surrounding the year 2000. Many scientists have used 2000 AD as a benchmark. In the environment section of the London Library, 90 per cent of the specific forecasts ended at the year 2000.

Dr John Woods, Britain's senior marine scientist, predicts a temperature rise of at least 0.5 degrees centigrade by the year 2000. Ex-Greenpeace chairman Bryn Jones says: "I reckon we have perhaps 10 years to save the world." Scientists reporting to the House of Lords entitled their report *Wasteland Britain, 2000 AD*. Michael Robinson of the Smithsonian Institute predicts that 65 per cent of the world's rainforest will be gone by 2000.

Dr Robert Runcie, the Archbishop of Canterbury, has noted a more fundamental connection between religion and the Greens. Recently, he preached that the emergence of the Green movement represented a major religious development, a return to the view that nature is sacred, that we have duties as stewards of God's creation.



As in Revelation, current forecasts promise both Armageddon and paradise. Inevitably, politicians emphasise the latter. President Bush has promised clean air for all Americans by the year 2000. Labour aims to eliminate nuclear weapons by the year 2000. Mrs Thatcher wants to ban chlorofluorocarbons (CFCs) by the year 2000. Jonathan Porritt's green epiphany is reported to have occurred when, as a teacher, he asked his students to imagine life in the year 2000. Of course, when the date passes, imagination will no longer be necessary. What will happen? At the end of the first millennium, there were two distinct responses. Some were relieved. "In 1003, the

earth was covered in a robe of white churches," wrote the monk Raoul Glaber. Others continued to believe that the end was imminent. When Jerusalem was taken in 1099, people prepared themselves for doomsday. Churches saw their first wall paintings depicting Armageddon. In 1685, the millennium of Christ's death, Europe suffered another great famine, prompting the belief, according to Glaber, that "it was the end of the human race." But it was not Christ's 1,000-year paradise on earth that had not yet begun. So religious leaders rechannelled millenarian energies into efforts to bring this paradise about. The first Crusades, in 1093, were organised specifically to make the

world fit for the millennium. This idea gathered force and was fundamental to the Holy Crusades of the 11th and 12th centuries. History suggests that if the Green movement follows its millennial course, Green ideas will pick up steam as we approach the big day. In the next century, some people will lose interest, but many more will embrace Green concerns with a growing sense of mission. With East-West barriers falling, could the world divide along new environmental battle lines? Perhaps the north-south divide, the struggle between the world's haves and have-nots, could provoke the environmental crusades of the 21st century.

The Long View

When the frisky could turn risky

THE HIGHER the climb, the more satisfying the view - but the more worrying the thought of the journey all the way back down again. This week, the global stock market has been finishing the year in fine form with Tokyo, in particular, making a late run and catching up with some of the year's earlier gains elsewhere. The World Japan Index is up 25 per cent in dollar terms for the 12 months. But, from this elevated position, the New Year is beginning to look rather risky.

Superficially, the world economy is shaping up quite well. The major deficit nations, the US and the UK, are showing noticeably while the surplus countries, notably Japan and Germany, are still powering away. So, the world ought to come into better balance in 1990. That, though, is to look only at the trends picture. The reality, the flows of portfolio capital, in some respects, is just as crucial. If the world's securities markets are being driven largely by Japanese outflows - recently, more than \$10bn a month - what would be the impact of a sharp curtailment in such investment?

A reduction of this kind by Japanese institutions might be a logical policy objective for the persuasive and intimidating Tokyo authorities. But the trade surplus is falling and that a stronger yen might be needed to curb inflation (the discount rate was raised in Japan this week).

These Far Eastern considerations are not relevant only to those British investors with a global perspective. Domestic investors need to take notice, too. Remember how UK equities have plugged into the world-wide bull market during 1988, even though domestic corporate prospects have been deteriorating.

So, let us concentrate on the UK scene. There are two overriding domestic questions as far as the stock market is concerned. One is how the company sector will respond to its heavy financial deficit. The other is whether the anomalously low level of long-dated bond yields will, at some stage, be corrected.

So far, companies appear largely to have brushed aside their financial squeeze and to have borrowed to meet it. At the very least, dividend growth (15 per cent in 1988) is going to slow sharply. But, will companies turn to their shareholders for capital?

Not only have equity issues tailed away in 1988 but there has been a wave of cash take-over bids that will pump something like £3bn into institutional portfolios in the next couple of months along with the normal, heavy first-quarter receipts. No wonder the market has been looking buoyant in anticipation.

If London continues to be viewed as something of a bargain basement for foreign bidders, the stock market is bound to be supported at high



A schizophrenic stock market torn between take-over bids and underlying economic problems could easily prove at times to be rather dangerous

levels (although the receipts may be re-cycled into overseas equities). But the price level could be increasingly vulnerable to, for instance, political curbs on take-overs. As for gilt yields, the fall in the public sector financial surplus is implying already a reduction in re-purchases of

gilts in the market. The surplus could prove fragile in a recession and, if official support is removed, long-dated yields could easily rise a couple of percentage points in the face of high and obstinate inflation. That would put downwards pressure on share prices.

Elsewhere, inflation is bound to be a serious political problem for 1990. Wage inflation has now topped 9 per cent and, given the demographic pressures on the labour market, it is hard to see how it could be brought down again except through a more savage recession than seems likely now.

The fall in sterling, especially against the currencies in the exchange rate mechanism (ERM) of the European Monetary System, has reduced greatly the danger of a serious corporate profits squeeze in the UK. But, higher inflation is going to increase the effective tax burden on the corporate sector because corporation tax is imposed on nominal rather than real profits; and there will be pressure for relief (another reason for being doubtful about the durability of the fiscal surplus).

Nevertheless, Chancellor John Major evidently is convinced that he should not get infected by the obsession of his predecessor, Nigel Lawson, with high interest rates, and I would expect to see short-term rates drifting lower gradually through the year. This, however, will not help

the stock market if long-term rates go up. Incidentally, I would hope to see some broader monetary reforms that would bring the UK's ill-disciplined banking system under some kind of constraint (and would lay the foundations for entry to the ERM). I am not optimistic, though.

Certainly, the political stakes are likely to be raised. Will Prime Minister Margaret Thatcher survive the economic perils of 1990? Whatever happens, the stock market will by the end of the year be focusing much more nervously on the 1992 general election.

It might also, of course, need to take on board the consequences of an interventionist government led by, say, Michael Heseltine - the popular favourite to succeed Thatcher eventually - and early entry to the ERM.

I cannot say that I have a very clear view of 1990 although I am not comfortable with a stock market where the leaders are buoyed-up by take-over talk. But the second-line is retreating in the face of mounting evidence of difficult trading conditions. My view is that the stock market's out-turn will prove to be dull rather than apocalyptic. There are, however, worrying parallels with Wall Street early in the 1970s when the "nifty 50" floated, disdainfully, clear of the rest of the common stocks. Eventually, though, the blue chips had to come down to earth with a distinct bump.

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MARKETS

LONDON

Footsie in fine fettle for the New Year

CONVENTIONAL assumptions that the stock market would remain deep in post-Christmas torpor appeared to come slightly unstuck this week. Powered by new records in Tokyo and a good performance in the West German market, London rediscovered its optimism and headed towards the New Year in good form.

So much so that the most stringent criticisms to be heard by the end of the week were that the market was "looking over-bought." The final reading showed the FT-SE index with a whisker of the 1989 high and showing a gain of 35 per cent over the year, not bad after a week that saw sterling tumbling and some headlines reviving the fear that UK base rates could be forced yet higher.

trade data did little to change perceptions for the near-term outlook and the prospects for sterling must remain open, at least as far as the equity market is concerned. But none of the technical arguments applying to the week's stock market performance could mask the relative optimism with which professional investors, fund managers and their like appeared to be facing 1990. Even the end-year window-dressing had a more positive flavour than usual.

Of course, all the traditional post-Christmas factors still applied. Turnover was pretty sketchy at first and, although Seaq trading totals were

looking quite respectable by the end of the week, window-dressing and tax-influenced trading played a significant role.

There were several sizeable bid and breakfast deals - where blocks of shares were sold off at the close of the session and then re-purchased next morning, with the two deals establishing a tax loss.

Table titled 'HOW SHARES HAVE MOVED' showing percentage movement in the FT Ordinary share index and its constituents since the end of last year. Includes columns for Price, % change, 1989 High, 1989 Low, and 1990 High/Low.

A GREAT deal will depend on the first few days of trading at the start of the 1990s. With US stock prices climbing for the third time this month towards the crucial 2700 mark on the Dow Jones Industrial Average, there is a good chance that this stubborn resistance level will finally be breached.

In fact, a breakthrough above October's high of 2751 could well unleash a very strong advance. Enthusiasm is building palpably again on Wall Street. Many investors seem to be itching to throw their money into a full-scale rally, such as the one they probably missed last January when the Dow shot from 2149 to 2340 in less than a month.

Under these circumstances a breakthrough above last October's high would put a more and more exhilarating target before investors' sights - 3000 on the Dow.

The clearest evidence of the revival of this bullish spirit came on Thursday, with publication of the monthly figures on fund investment compiled by the Investment Company Institute. The net flow of cash into equity mutual funds rose from \$6m in October to \$1.9bn in November, and mutual funds sales last month were running at their highest level since the record \$3.6bn set in August 1987, shortly before Black Monday.

There is less agreement, however, about the current slowdown and the impact of recession on the employment services industry. Alec Reed, chairman and founder of Reed Executive, believes the slowing of the UK economy is already having an adverse effect.

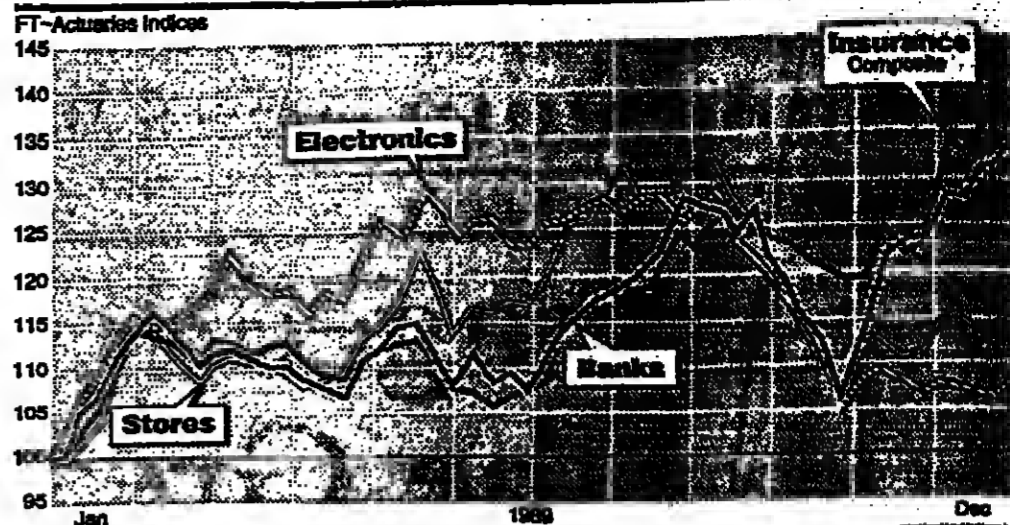
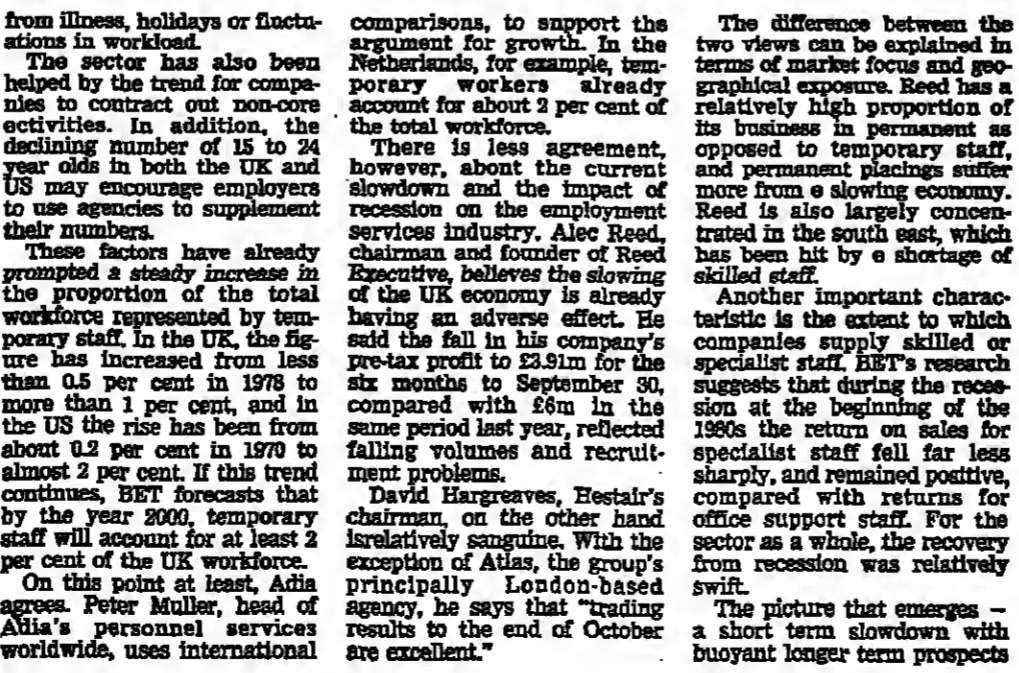
David Hargreaves, Hestair's chairman, on the other hand is relatively sanguine. With the exception of Atlas, the group's principally London-based agency, he says that "trading results to the end of October are excellent."

And the enthusiasm is not confined to small investors. Despite some short-term worries about the market's technical state, professional portfolio managers appear to be more bullish in their market forecasts than they have been for years. A series of long interviews published with five top institutional money managers by Barron's magazine earlier this month, found that they were bullish without exception and virtually without qualification in their long-term outlook.

On this point at least, Atlas agrees. Peter Muller, head of Atlas's personnel services worldwide, uses international comparisons, to support the argument for growth. In the Netherlands, for example, temporary workers already account for about 2 per cent of the total workforce.

The difference between the two views can be explained in terms of market focus and geographical exposure. Reed has a relatively high proportion of its business in permanent as opposed to temporary staff, and permanent placements suffer more from a slowing economy. Reed is also largely concentrated in the south east, which has been hit by a shortage of skilled staff.

WALL STREET Euphoria on a high wire



holdings in the financial stocks which have led the most recent up-swing in equities; valued both as defensive and as potential bid targets, the banks and insurance issues are still wanted by all.

Building and construction issues, also back in favour this week, have had a more erratic track record. They were strong earlier this year as the Channel Tunnel and other construction projects attracted attention.

only weeks away. Such optimists will probably prove untaken, and perhaps not only for their timing.

Nevertheless, many a fund manager must be asking himself if it really is a good idea to follow the rush into the equity market at the beginning of a year which promises a recession in the industrial nations of the West. He will, however, find no shortage of equity strategists ready to assure him that the market has discounted the bad news already.

At Barclays de Zoete Wedd, Peter Thompson has revised his predictions for the FT-SE in 1990. He predicts that, by the end of the year, Footsie might be between its current level and 10 per cent higher.

Perhaps significantly, far more equity traders seemed willing to talk about the share price implications of events in eastern Europe than analysts willing to write them down and post them to clients.

His principal reason for this view is the one which has been collecting the market ahead so determinedly over the last month of 1989: "the willingness

already - the worldwide triumph of capitalism, the liberation of eastern Europe, the death of the economic cycle, the end of the inflationary, 1970s and 1980s, the end of labour militancy, maturing of the spendthrift baby-boomers into a hard-working nation of savers. But full-scale conviction in the new Golden Age is still lacking.

There's more tests ahead

DESPITE the festive cheer of recent weeks, few change agents have been popping in the offices of smaller company funds.

While most investors can bank in the glow of the 29 per cent rise in the FT-All-Share index, most small company funds have been battered by the mere 1.5 per cent rise in shares on the United Securities Market.

Another high profile casualty in the motor trade was Splice, an auto parts distributor run by Gordon Splice, a racing driver. Severe accounting and cash-flow problems led to a brace of rights issues, a £4.6m pre-tax interim loss and an injection of new management.

At present, the New Age faith could all too easily turn to disillusion, even without some genuine catastrophe such as the death of order in the Soviet Union or a recession in the US. At present Wall Street is merely preparing to take off on its skyward trajectory, but it has not yet gathered any momentum. Thus, it could take nothing more than a string of disappointing profits announcements or a further decline in the bond market to knock the market off the launching pad.

Other contenders for the worst-performing company of the year include Total Systems, a software company hit by the shakeout in the computer industry (Total lost 74 per cent of its value); the US-based Cambridge Isotope Laboratories (down 71 per cent); International Media Communications, a video tape marketing company (down 69 per cent); and Associated Energy Services, a kitchen maintenance contractor (down 66 per cent).

However, the wooden spoon goes to City & Westminster, which lost 51 per cent of its value. The plans of this finance house, which only achieved a quote this year, have fallen apart in the last month, when it lost its chief executive and chalked up an interim loss of £2.7m.

Whatver the explanation, the relative decline of smaller companies has been real enough. No fewer than 39 com-

pany funds have been battered by the mere 1.5 per cent rise in shares on the United Securities Market.

So much for 1989. As the new year is ushered in, the premium of USM shares to those of the main market has rarely been lower, and few in the market can gauge the effect of the relaxation of the entry rules and the abolition of the Third Market.

FINANCE & THE FAMILY: THIS WEEK

Where next for world markets?

As the '80s draw to a close, FT writers consider the state of the markets over the last decade and look ahead to the '90s. Plus: what the fund managers say. Page III

Analysts? Who needs them...

Benjamin J. Stein says that personal research can make the world of difference to a portfolio. Plus Daniel Pallant gives his astrological forecast for the markets in 1990. Page IV

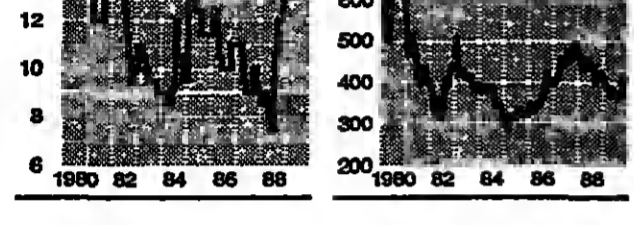
Diary of a private investor

Kevin Goldstein-Jackson reflects on what has proved a rather quiet year for his family's investment fortunes. David Waller reports on company's shortened accounts. Page V

Minding your own business

Roy Hodson looks at the track records of entrepreneurs whose hopes and fears he has chronicled during the year. Page VI

BRIEFCASE: A profitable hobby: Page V



NatWest chief forecasts fall in UK interest rates

UK interest rates should begin to fall next spring, dropping to a base rate of 12 per cent from the present 15 per cent by the end of the year, Tom Frost, National Westminster Bank's group chief executive, said in his New Year message. Frost forecast a "significant improvement" in the economy in 1991, based on the decline in the cost of money.

Analysts see new bullish trend in gold sector

Gold ended the year on an uncertain note, with the London bullion price barely above \$400 an ounce after falling sharply this week. On Thursday it declined below the key level of \$400 for the first time for five weeks.

New money market account from Skipton

A new type of wholesale society account, with an interest rate linked to the wholesale money market, is to be launched by Skipton Building Society on January 8. The interest rate will be fixed quarterly based on the three month Libor (London Interbank Offered Rate) quotation as set by the British Bankers Association and will be grossed-up to remain always 0.75 per cent above the figure.

Stockbroking group expands into Wales

Robert White & Co, the Edinburgh-based stockbroking arm of the TSB Group, has announced further expansion of its provincial network with the planned establishment of an office in Cardiff. This will be its fifth office and will offer a range of stockbroking services to private clients, as well as medium and smaller-sized companies.

Hestair bid spotlights employment agencies

THE BATTLE for control of Hestair, which now involves two of the world's largest service companies, has focused attention on employment agencies, until recently, among the most buoyant shares on the market.

By the fact that many agencies are subsumed in larger groupings or have overseas owners. Hestair itself has suffered through its presence, although shrinking, in consumer products.

The employment agencies all argue that the slowdown is only temporary. BET, the huge support services group which is seeking to enter the market through an agreed £192m bid for Hestair, says that while it expects some tightening in 1990, it believes employment agencies will be one of the fastest growing service sectors in the medium to long term.

David Hargreaves, Hestair's chairman, on the other hand is relatively sanguine. With the exception of Atlas, the group's principally London-based agency, he says that "trading results to the end of October are excellent."

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FINANCE & THE FAMILY

FT writers eye the '90s — ANATOLE KALETSKY has doubts

Disappointments in store?

AS THE 1980s turn into the 1990s it is impossible not to be optimistic. A new era of peace and prosperity seems genuinely to be at hand in many different parts of the globe. Investors must, however, judge whether the stories of a golden age are reflected already in asset prices. Indeed, the general optimism today probably rules out a repetition of the sensational investment gains of the 1980s. Remember what the decade looked like around the turn of the decade: the second oil shock, the Ayatollah's hostages, the UK's winter of discontent, the Volcker squeeze and the collapse of Chrysler, and the Russian invasion of Afghanistan.

The 1980s started with plenty of possibilities for pleasant surprises for investors. But surprises in the next decade are likely to be on the side of disappointment. And if it is dangerous to jump blindly onto the bandwagon of euphoria, it might be equally foolish to defy the upbeat conventional wisdom. The herd could be spectacularly wrong in the next decade, but most of the time it is right — and richer.

Thus, when a strong consensus exists in the financial markets, investors must steer a path between the twin perils of a conventional wisdom that may be too conservative and simple-minded contrarianism. One way to do this is to look for unconventional investment conclusions in the different themes that make up the bullish consensus. Here are a few examples.

■ The liberation of eastern Europe. This certainly seems to be happening (although the possibility that something could go badly wrong provides the world, for the first time in almost 10 years, with a reason for buying gold). But is the German stock market the best place to profit from the capitalist revolution in the east? The big profits will not be made by Germans selling goods to eastern Europe but by local entrepreneurs. Direct investments in east-

ern Europe, through vehicles such as the recently formed Hungary Fund, will be better ways of playing this trend than shares of German multi-nationals like Dabner, Bors, BASF or Deutsche Bank.

The main impact on West Germany will be from the big population influx. This will be good for the German construction companies and it should ultimately help the languishing Deutschechemie bond market by curbing inflation as well as reducing social security deficits. But the biggest German beneficiaries will be residential property-owners. A rental flat in Berlin will probably be one of the great investments of the 1990s. A flat in central Prague or Budapest, if only one could be bought, would be a virtually guaranteed bonanza.

■ Economic take-off in the Third World. The South-East Asian stock markets have already experienced phenomenal appreciation in the 1980s. The next decade could see the turn of Latin America, now that the region's huge debt burden is being forgiven quietly by western governments and banks. The main beneficiaries in the Third World will be telecommunications, banking, pharmaceuticals, road transport, insurance and airlines. The main beneficiaries of 1992 should be consumer-orientated businesses like retailing, certain financial services, leisure — and office development in Brussels.

■ Disinflation and the "death" of the economic cycle. Most stock markets are

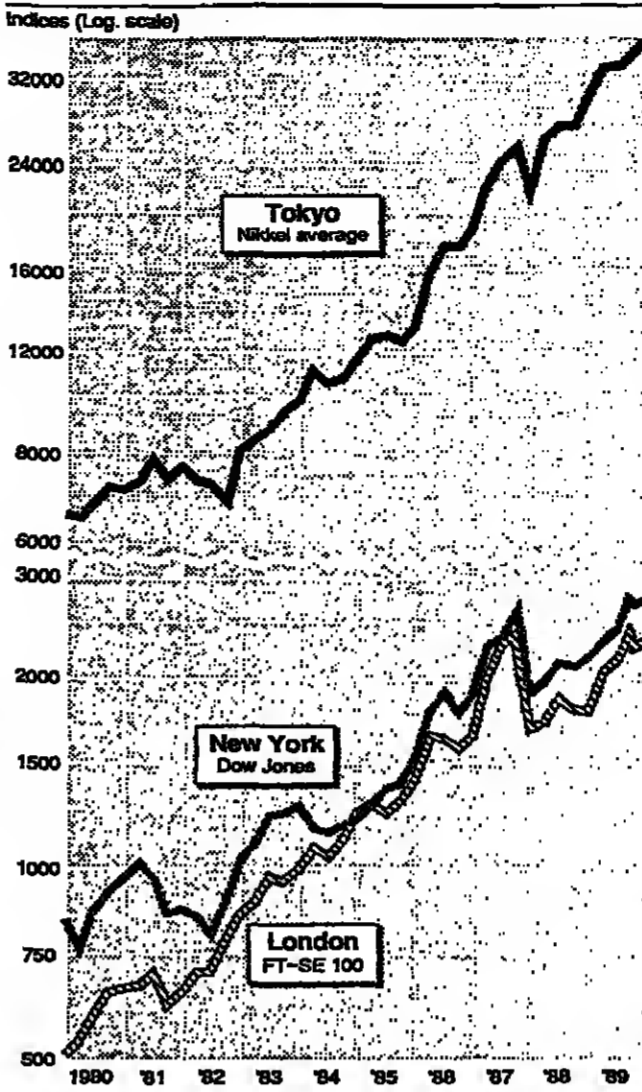
priced on the assumption that neither inflation nor recession is very likely, but that recession is the greater threat. Hence, most industrial and natural resource stocks are valued lowly, on the ground that their earnings would be hurt by a recession. In fact, since the mid-1980s, maintaining full employment has become a higher priority generally than lowering inflation. Thus, highly cyclical sectors (like oil and gold) should do better in the coming decade than in the disinflationary 1980s. Government bonds and financial stocks, which enjoyed big gains in the past decade, may be in for a rougher time.

■ International economic adjustment. Gradually, the huge imbalances between the world's main trading blocks are being curtailed. The main implication is that investment profits in the manufacturing side of the US economy will increase radically compared with the services sector. Savings rates will also rise in the US, while consumption declines. As a result, US industrial companies should enjoy much better prospects in the 1990s while consumer-orientated groups will suffer, even though the present pricing on Wall Street suggests the opposite.

■ Currency stability. The world's finance ministers may be committed increasingly to stable, or even fully-fixed, exchange rates after one further major adjustment of the yen and an EMS re-alignment. As a result, high-yielding long-term bonds issued by EMS countries like Spain and Italy will be exceedingly attractive compared with D-Mark investments.

All this suggests another reason for favouring inflation hedges such as gold, oil shares and (not least) residential property. The first two have taken off recently — oil shares, in particular, seem over-priced temporarily. On the other hand, the much-maligned British family home looks like a perfect contrarian investment for the mid-1990s.

Major stock markets performance over the last decade



BARRY RILEY sees a bad year

THE BRITISH private investor in 1990 faces two principal domestic risks — that inflation will prove to be higher than expected, and that the economy will experience an unpleasantly bumpy landing. It is difficult to imagine that both dangers could materialise simultaneously on a severe scale — to some extent, they are mutually offsetting — but, on simple economic numbers, it is likely to be the worst year for quite a while, possibly since 1981.

The dangers have been discounted in part already. Small company shares have been weak since the summer (and the stock market as a whole is struggling to regain the peak reached nearly four months ago).

Sterling has fallen significantly in value since October (and since the beginning of the year). Quite possibly, there is some interesting recovery situations in the stock market.

For the moment cash returns are high, although they are not always worth what they seem. A nominal 10 per cent building society account returns only 8 per cent to the 40 per cent taxpayer, and that implies a real return of just about zero at the present inflation rate.

At this stage of the interest rate cycle you can do significantly better with banks, which tend to follow money market rates up when building societies hang back. Conversely, it is better at the moment to borrow from a building society than from a bank. But don't rush in the moment for house prices remains poor.

So, where should the money go? Even though the returns on short-term deposits may seem favourable, the likely persistence of relatively high inflation makes index-linked investments look a good prospect for the next year.

The National Savings 4th Index-Linked Issue remains outstandingly attractive, albeit only up to the maximum holding of 25,000: the real return is 3 per cent a year and more than 4 per cent if held for the full five years.

Elsewhere, index-linked gilts remain excellent hedges. They performed disappointingly up to 1987 but have done well since, at least in their own "safety first" terms.

They may have been over-shadowed by more glittering investment performances in the 1980s, notably by equities, but these returns have been riskier and it is now very likely that the going will be tougher in 1990. So, a real return of 3 per cent or so will be quite acceptable.

Conventional gilts are still dominated by the effect of the Government's buying-in programme. Yields have risen a little, but the real running yield for 40 per cent taxpayers is slightly negative and gilts are unattractive given that the prospect of capital gains is now very limited.

What about equities? The stock market has become stratified recently, which makes it very hard to read. It is buoyed up by take-over bids, but the underlying weakness of the domestic corporate scene has come through in the small company sector. The best advice is probably to steer clear at this stage but to put in money as the recession develops.

Companies with a strong overseas orientation — either through subsidiaries or through exports — will ride out 1990 fairly comfortably. This will not be like the 1981 recession, when sterling was very strong. And remember, by the time the recession has reached its worst phase, the stock market will already have begun to rally strongly.

Bombard-out small companies will offer the best pickings for those who are clever or lucky with their timing.

Of course, equity investment is a global affair these days. So, where do the best prospects lie in 1990?

No regions have been neglected obviously during 1988, a year in which all the major areas have powered ahead by substantial percentages. With some trepidation, I would go for continental Europe, largely because there is scope for a lot more American and Japanese money to be placed there as 1992-fever develops further.

Next, I would choose Japan, although more for the potential of the yen than of the Tokyo stock market as such. I am not too keen on the US for 1990, or the emerging markets, which have become over-stretched.

JOHN PLENDER is hopeful

IS IT A CASE of premature celebration? Or is the boomlet in the UK equity market well founded? For those who prefer their bull markets to have a sound macro-economic foundation, a surge in equity prices looks curious when most pundits' forecasts for 1990 point to markedly slower economic growth, inflation well above that of Britain's main trading partners, and pressure on corporate liquidity.

The justified view from the foreign exchanges, which have presided over a sterling depreciation of more than 8 per cent against the D-mark since the eve of Nigel Lawson's resignation as Chancellor, is hardly encouraging; especially since benign neglect of sterling has,

in the past, tended to result in short-term gains in competitiveness being eroded by rapid inflation.

That, no doubt, explains why the long end of the gilt market has weakened since the arrival of John Major to replace Lawson at Number 11 Downing Street. Already, bond investors have pigeon-holed him mentally in the great devaluationist tradition of post-war British chancellors, and battered down the financial hatches accordingly.

But, with the equity market, it is always important to remember that around 40 per cent of corporate earnings come from overseas. And Major's neglect of sterling has lifted one of the bigger clouds

on the horizon for corporate profitability.

For much of 1989, the equity market was anticipating a fierce squeeze on profit margins as higher wage inflation and lower productivity threatened to raise unit labour costs when the economy slowed down. Devaluation has now provided UK exporters with the chance to defend margins by raising prices — an encouraging pointer for profits and dividends.

Bad news, perhaps, from the point of view of sterling, Britain's longer-term problem with wage inflation; but investors have chosen to interpret this as an indication of less-severe reductions to come in profits and dividends next year. Indeed, Britain's exporters

are now in an exceptionally favourable position, thanks to the unusually balanced pattern of demand in the world economy. While the Anglo-Saxon countries have moved into a period of slower growth, Japan and continental Europe are still in the throes of a boom, thereby providing a powerful incentive to the Anglo-Saxon corporate sector to shift resources from the home market into exports.

Against that background, UK investors are coming on 1990 turning out to be the year in which interest rates finally turn down, growth slows down but falls to evaporate, and Tory electoral prospects pick up. The timing of Prime Minister Thatcher's political crisis over her Chancellor's resignation could hardly have been

bettered on that score. And Major must be pinning his hopes on despatching the financial misery in 1990 before delivering a more cheerful message to voters in 1991-92.

The trouble with that scenario — and, indeed, for the equity market generally — is that it implies a fair degree of luck and considerable skill in the difficult art of fine tuning the economy. If the Bundesbank, facing a difficult pay round in Germany next year, feels obliged to raise interest rates again, benign neglect of plummeting sterling might cease to be an option. The threat of recession would loom larger. And history suggests that third-term governments are accident-prone, so Labour's poll ratings could yet give the market a shock or two.

With the FT-SE 100 Index up by an eighth since Lawson's exit — a rather ungracious valedictory salute — and the average dividend yield on equities down to 4 per cent, the best of the party may be over for the moment. But the big investment institutions remain liquid and plenty of individual stocks look cheap. This is particularly true of smaller companies, shares in which have been hit indiscriminately over the past two months.

A squall over sterling on the foreign exchanges would provide a fine opportunity to buy anything that looks over-gear, interest rate-sensitive and capable of survival. And with the pound in decline, shares in the manufacturing sector look ripe for selective attention.

Heather Farnbrough and Sara Webb review the experts' forecasts — and listen to some more Time of reckoning

THIS TIME last year, Finance & the Family asked 10 fund managers to make forecasts for the stock market in 1990. They were asked: at what level will the FT-SE 100 be by the end of December 1989? What are the prospects for the UK stock market? If you could invest in only one other stock market, which would you choose? So, how well did they do? During 1989, the UK market weathered a mini-crash, recovered, and the FT-SE 100 index burst through 2,400 this week. None of the managers came very close to predicting where the FT-SE would be at the end of 1989, and some were way out in their choice of another market. However, despite the potential ignominy of being ranked by the success of their predictions, they have agreed to give forecasts for 1990. We give the winners and boobies below.

■ Hugh Jenkins, formerly investment director at Allied Dunbar, and now chief executive of Prudential Portfolio Managers, took first place for 1989.

He predicted the FT-SE 100 would be 2,200 at the end of 1989, forecast a rally in the market in the second half, and chose to invest only in the UK market.

Coming top did not stop him from going down with "flu over Christmas. With little voice left, his forecast from his sickbed was necessarily brief. He predicts that, by the end of 1990, the FT-SE 100 index will rise modestly to 2,350, and thinks the other market to go for is West Germany.

■ Nicholas Fraser, a director and head of investment management at James Capel, did well on the UK last year but not so well on his other market.

He forecast the FT-SE to be 2,050 at end-1989 and was feeling bullish after the first quarter. His other chosen market was Australia. When reminded, he groaned and said: "I'll never be allowed to forecast Australia. Like all investors, you remember the ones you got wrong?" The Australian All-Ordinaries index has increased by 10.89 per cent since the end of last year (from 1487.4 to 1649.4). "Not too sparkling a performance when compared with most stock markets in 1989," he admitted.

His FT-SE forecast for the end of 1990 is 2,300, with the best part of the rise taking place in the second half. "Although the UK has to undergo tough economic and

financial conditions in 1990, the market will increasingly be looking ahead to 1991 and the expectation of lower interest rates and lower taxes in the run-up to the election in 1992," he said.

He thinks France is the other market to invest in — "plentiful liquidity, the continuing restructuring of the corporate sector and fast earnings growth in 1990 signal another good year for share prices."

■ Graeme Knox, general manager of investments, Scottish Amicable. He points out that the FT-SE 100 is a very narrow representation of the UK stock market compared with the All-Share.

Forecast for end-1989: he was mildly bullish about the UK, predicting the FT-SE at 2,040.

and chose to invest only in that market. Forecast for end-1990: FT-SE at 2,650, bullish about the UK and France, would invest only in Britain. "I believe that, even in sterling terms, Britain could be one of the best world markets. I think we've seen the worst of the fall in the pound."

■ James Shillingford, managing director M&G Investment Management. Forecast for end-1989: FT-SE at 2,000; moderately bullish about the UK. His selection of West Germany as the other market proved a wise choice: the FAZ general index increased by 31.72 per cent (from 549.86 to 724.26) while the DAX index went up by 33.4 per cent (from 1237.87 to 1771.44) in the course of the year.

He expects the FT-SE to reach 2,500 at the end of 1990, and thus feels moderately optimistic about the UK. He thinks the key to getting the UK market right is to focus on inflation figures and the relationship between inflation and interest rates. "If it begins to look as if the inflation rate is coming back below 5 per cent, the market could move." His other choice of market is Japan.

■ William Long, director of National Investment Group. Forecast for FT-SE at end-1989: 1,963. He felt ambivalent about the UK and chose Japan as his other market. The Nik-

kei index has climbed 28.91 per cent (from 30,159 to 38,877) this year. Long says he was cautious on the UK but got the Japanese market right — it was the outstanding place to be in 1989.

He predicts the FT-SE will be at 2,450 at the end of 1990. He is bullish about the UK market, but only if interest rates come down by more than two points. The other market to invest in, he believes, is the US.

■ Peter Saunders, head of private portfolio management at Kleinwort Benson, was unavailable for comment this year.

Forecast for end-1989: FT-SE at 1,950, neutral to bullish about the UK, and chose Spain as the other market to invest in. His colleague...

■ Andrew Gregory, head of private client business at Kleinwort, says last year's forecast was "too negative... it has been far stronger in the last quarter than we thought likely. And Spain was not so good." The Madrid Stock Exchange index climbed 8.14 per cent from 274.43 to 296.77.

Gregory predicts an FT-SE of 2,700 in 12 months' time. "It could be that, by the end of 1990, the possibility of a Labour (general election) victory will look stronger, although I think there is increasing evidence that the Conservatives will win," he says. "We expect a slow-down in corporate activity, with profits under pressure and interest rates coming down in the second half. At some stage, it would be wise to switch from internationally-orientated companies to the more domestic ones in 1991."

Outside the UK, he would choose Japan — but only the smaller and medium end of the market.

■ Mike Kerahaw, investment manager at Royal Life. Forecast for end-1989: FT-SE at 1,900, ambivalent to bullish on the UK, with West Germany as the other market to invest in. He did well on Germany but was too cautious about the UK. His explanation was "the unexpectedly high amount of institutional liquidity due to an exceptional amount of take-over activity. The market was boosted by much re-cycled money going back in."

He sees 1990 as a recession year in the UK, but adds: "If it's clear there is another side to the valley, the market should go up by 5 per cent." He predicts the FT-SE will be 2,550 at the end of 1990, feels "guard

Perpetual— now for the '90s



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Extract from Perpetual International Growth Fund Manager's Report November 1979.

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1985 Unit Trust Group of the year Observer

1985 Unit Trust Managers of the year Money Magazine

1989 "This fund is the top unit trust of all authorised unit trusts for capital growth for the period since the launch on 11th September 1974 to 1st November 1989. (Source: Planned Savings)"

Extract from Perpetual International Growth Fund Manager's Report November 1989.

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FINANCE & THE FAMILY

Benjamin J. Stein says that personal research can make the world of difference to a portfolio
Forget the analysts and do it yourself



ONE OF THE smartest people I have ever met, a true genius in several fields including economics and mathematics, believes in the theory of efficient markets. That is, he thinks that all opportunities for gain based upon known facts already have been discounted into the price of stocks.

Based on that conviction, he believes that he could do just as well by throwing darts at the stock page as he could by doing research himself and buying according to what he found out. Therefore, he buys more or less at random and makes a good return when the market is hot, a poor one when it's not. Overall, he would duplicate what he would make on bank Certificates of Deposits (CDs).

Another friend, also extremely intelligent, believes that the securities analysts and mutual fund managers of major brokers and dealers already know about as much as can be known about stocks. Their research abilities and staff dwarf her own and therefore, she believes, there is no point in her attempting to study stocks and markets. Instead, she buys shares in mutual funds. Some have done well. Others have done poorly. Over time, her holdings just about track - or slightly under-perform - the Dow Jones index.

Still another friend believes the stock markets are rigged, that top managers will simply steal all good opportunities, and that there is no point in being in equities. He makes a steady, safe, small return in CDs at large banks.

Then, there is my friend George. He is also a smart fellow. But he believes that an efficient market is a vague concept indeed. If the market functions in liquidate inefficiencies, he wants to be a part of that process. He studies annual reports, magazines and news papers, and speeches by chief executives. He snoops in legal filings and sometimes visits company sites. From owning investments worth thousands of dollars when first I met him 15 years ago, he has gone to a portfolio of tens of millions.

I know other Georges, too. These people are like little bears, chewing through data at libraries, reading reports instead of watching TV, attend-

ing annual meetings instead of boating. These folks' investments all seem to make out far better over time than the Dow and far, far better than CDs. Then, there is little me. I have been speculating, albeit on a tiny scale, since 1968 when I was 13. Over that period, I have observed that the one variable that predicts gains better than any other is the amount of time I have spent researching the company. Where it is high, gains have been low or even losses. Then, too, there is what I have learned from my endless research into management buy-outs. The unerring result of my study has been that those with a knowledge of management must outperform those who do not. From all this, a conclusion leaps out: Even in the age of "machine-generated research," with legions of analysts and instantaneous trades of huge size, it is still extremely worth-while for individuals to do at least most of their own research. And here are the reasons why.

First, Milton Friedman's brilliant theory of personal gain says that if an individual is directly and substantially at risk, he will work far harder and far more effectively than otherwise. He will not worry about whether his stock selections will upset his underwriting department or raise eyebrows at the next staff meeting. He need not attempt to generate sales for the sake of commissions. He need only worry about making money.

In terms of motivation, absence of conflicting interest and availability of time, almost all intelligent investors can surpass all but the very best and most energetic securities analysts. Second, the individual investor can, if he wishes, use the accumulated knowledge of a lifetime to augment his study

of stocks - which most analysts cannot do. On and on it goes. My friend George is in the entertainment business. His knowledge of it has led to buying shares in this sector that have turned out to be spectacular investments.

As for myself, I have an abiding interest in California real estate. Over the past 10 years, I have been able to find stocks with market prices far lower than their asset values. Analysts refuse consistently to see these companies' real worth, even when they go into liquidation so that the real-estate value can be taken out. This has provided a chance to buy southern California real estate in the 1980s at 1960s' prices.

In my small case, I actually took the time to visit some of the real estate in question, research comparable land values and even hire appraisers (who usually could not get over that I wanted them to tell me the right price and not

vice-versa). A result of this work was the discovery of large inefficiencies in the pricing of these stocks.

As these were rationalised, the stock prices rose. Liquidating dividends were paid and the inefficiencies were somewhat removed. But, in the process, I made gains beyond those offered by any stocks on which I have not lavished research time. The point is that adding-in your own knowledge and experience to additional research yields worthwhile returns.

The analyst in New York, usually young and usually without first-hand observation and experience, cannot match the acumen the retired accountant can wield. Indeed, retired accountants can often capitalise on the best knowledge base of all. They usually have specialised background in one or two industries. They know what is real and what isn't, what works and what doesn't,

far beyond the scope of the securities analyst.

Moreover, their knowledge of accounting allows them to read the indispensable heart of data about any stock - the balance sheet and its vital accompanying notes. Being able to do this with fluency is a major plus in research. It would shock many people to know how few analysts can do this, or care to do it, or have time to do it, with skill and in detail.

At the same time, the individual investor need not be moved by the fads and fancies of Wall Street and is not swayed by rumours, gossip and speculation. Nor are the tools of analysis difficult to learn. Modest facility with arithmetic, the willingness to remember detail, the energy to compare and contrast - these are what it takes to study companies. Stock-pickers always come down to common sense, and that usually comes down to a few ac-

countants.

Second, even if you do believe that markets discount every available piece of data, that still leaves plenty of room for individual initiative. After all, the efficient market theory does not say that markets become efficient by "extra-herd" means. Individual investors bring their own data, compare them with other data, and either buy or sell accord-

ingly. That is, some man or woman must take information and translate it into a price. Why should that person not be you?

Someone has to see that the \$10 stock is worth \$20 and start the move up to \$20 by buying-in at the lower level. Even such a minuscule speculator as yours truly has done it with very small companies. If the market becomes efficient as investors make money on under-valued stocks, why not be one of them?

Of course, even the best investment decisions can be neutralised in the short run by market panics. But, again, some advice from Warren Buffett, the master liquidator of inefficiencies, can be mind-buffing. He says that he doesn't buy markets that are worth owning over the long run; and if the market takes their price down unreasonably, that is just an opportunity to buy more. His ideal holding period for such stocks, he says, is forever.

Finally, it is worth the time it takes to study stocks? Obviously, that depends on the value of your time and the value of your capital. If a man makes \$600 an hour and has almost nothing to invest, his time is probably not well-spent studying stocks. However, for most middle- and upper-middle class people, the research effort is extremely worth-while.

If an investor has a \$500,000 portfolio and spends two hours each week studying companies, thereby raising his return on his capital by three percentage points a year, he makes about \$150 an hour for his work. Through the magic of compounding, if he can continue to invest the same amount of time and improve his results by the same ratio, after six years he will have realised a wage of about \$340 an hour from his efforts in increased value of his portfolio. This is good pay.

Obviously, there are no guarantees. But the individual investor, reading, studying, being his own adviser and mentor, can pay himself well indeed for the effort. The big guys do it, and the little guys who become big guys do it. If you have ever wanted to work for yourself, it's a good way to begin. *Reprinted with permission from Barron's Weekly.*

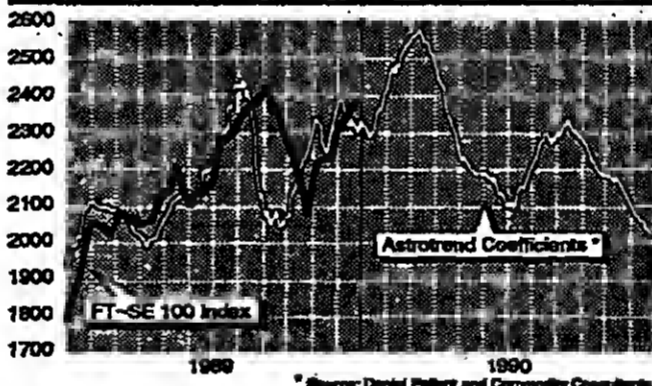
House price gloom

HOUSE PRICES will fall by a further 10 per cent in the next six months before starting to pick up, according to a report from stockbroker UBS Phillips & Drew this week. Phillips & Drew blames the fall - which rates as the worst in the post-war years - on the "exorbitant" cost of home loans. In previous housing recessions, the rise in personal disposable income has made it easier for home-owners to bear the cost of their mortgage payments. But the report says that, in 1990, mortgage interest payments will reach their highest level as a proportion of personal disposable income in more than 20 years, and that this factor will help to keep the housing market depressed for much of the year. On a more optimistic note, the report forecasts a fall in

mortgage rates in the run-up to the next general election and points out that demand from potential first-time buyers should increase as the number of 25/34-year-olds in the population rises. As a result, the report predicts prices rise of at least 10 per cent a year in 1991 and 1992. "House ownership will once again become an attractive investment," it says, adding that the increase in confidence will help to create a mini-housing boom. A separate report from the Halifax Building Society (which also forecasts a drop of up to 10 per cent in house prices in 1990) predicts that the south-east will recover before those in other parts of the country.

Sara Webb

Daniel Pallant looks over the astrological portents for 1990 Triple chance



Source: Daniel Pallant and Corinna O'Connell

The possibility of a sell-off remains until January 19, following the new moon and moon/Saturn conjunction on December 28; but, thereafter, any bearishness will end. As spring approaches all prices will rise, giving a boost to sterling and fueling hopes of an interest rate fall. The third and fourth weeks of January look particularly bullish, as are the second and fourth weeks of February. An upward trend will be maintained up to March 26 when, after the ingress of Mercury into Aries with the sun, the market will encounter resistance and will then fall until July 2. The accompanying Astro-trend chart (which is based on

a computer analysis of planetary and lunar support and resistance levels during the past three years) shows that the FTSE 100 index is at 2,250, and resistance at 2,325 until March. But that appears to be the best the market can do after that, the main trend is downwards. The third and fourth weeks of April will be bearish, followed by a good rally during the week of February 7. An upward trend will be maintained up to March 26 when, after the ingress of Mercury into Aries with the sun, the market will encounter resistance and will then fall until July 2. The accompanying Astro-trend chart (which is based on

Although the London stock market might be suffering from low volume and economic uncertainty, the gold market will attract growing interest.

I predicted that gold would not be bullish until the end of August 1989 and, so far, it appears that I was right. I expect the price of gold to rise substantially above historical levels during 1990, particularly during the period from August 13 to the year-end.

As the Saturn/Neptune conjunction declines during the year, the Uranus/Neptune conjunction approaches. I call it the rainbow conjunction because the planets involved are, in the case of Neptune, cloudy and, in the case of Uranus, brilliant and colourful.

It will provide good conditions for speculative excesses, particularly in gold and other precious metals.

Unfortunately, there is no real pot of gold at the rainbow's end and the market reverses will be sudden and sharp. We can expect the end of the year to be bearish for shares, and an interesting day to watch will be October 28.

In previous years, I have been able to predict sharp falls and general market reverses with great accuracy by studying the ingress of Venus into Scorpio, which has a peculiar importance for the City of London.

In 1980, it falls on October 25 and coincides with a powerful moon/Saturn conjunction. A number of other reinforcing factors make October 26 a compelling day for which to watch out next year.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share	Market price	Price of bid bid	Value of bid bid	Bidder
Barracuda	240	235	335	61.0	CEP Group
Carson Phoenix	80	79	36	5.83	Carson Corp
Dunlop	120	130	100	461.50	Kingfisher
Equitable Life	100	93	51	4.80	Equitable Life
Green LJ	100	91	1	0.75	Waco Corp
Healey	282	382	225	165.30	ADL
Healey	282	382	225	165.30	ADL
Higgs & Hill	40/78	455	302	357.80	Lowell (J.L.)
Leeds & Clark	30	37	4.57	15.25	Trenvold East
Metal Cloness	18/26	196	159	47.95	Wessex
Monotype	161	180	110	32.44	Headington Int.
Monotype	161	180	110	32.44	Headington Int.
Morgan Gravel	250	244	475	263.00	Polphus
Nyren	240	225	224	187.50	Deutsche Bank
Net Telecom	60	50	49	20.38	Alcatel
Robinson Int.	200/48	671	639	1,128	Nichemont
Royal Sovereign	217/25	205	155	11.28	Swire
Telcel	30	28	20	0.50	Telcel
UK Paper	576	588	538	228.04	Fletcher Chart'ge
UK Investments	285	338	335	270.20	Fisons

All cash offers. Cash alternative. Partial bid. Offer capital not already held. Unconditional. Based on 2.50p price 29/12/89. All assumptions. Share price and cash offer subject to change, making in 1990. In Robinson Tobacco (Holdings). Based on FAV to be determined.

RESULTS DUE

Company	Announcement date	Dividend (p)	Last year	This year
ABRY Panel Investments	Wednesday	1.2	1.5	1.5
First Finance Corp.	Thursday	3.5	8.0	4.5
Hammill	Thursday	7.0	18.0	6.0
Jersey Electricity	Friday	7.0	18.0	6.0
INTERIM DIVIDENDS				
Dunlop	Thursday	8.0	4.0	-
Equitable Life	Thursday	23.88	32.42	-
Equitable Life	Thursday	23.88	32.42	-
Equitable Life	Thursday	23.88	32.42	-
Equitable Life	Thursday	23.88	32.42	-

Dividends are shown net of tax and are adjusted for any intervening scrip issues. Pence per share gross.

PRELIMINARY RESULTS

Company	Year	Pre-tax profit (£000)	Earnings per share (p)	Dividend per share (p)
Dunlop	Sept 89	2,340 (2,100)	13.0 (13.0)	4.0 (3.0)
Equitable Life	July 89	(-)	(-)	(-)
Equitable Life	July 89	(-)	(-)	(-)
Equitable Life	July 89	(-)	(-)	(-)
Equitable Life	July 89	(-)	(-)	(-)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividend per share (p)
Asda Holdings	Sept	3,430 (4,020)	-
Barracuda	Oct	184 (468)	0.88 (0.75)
Barracuda	Oct	184 (468)	0.88 (0.75)
Barracuda	Oct	184 (468)	0.88 (0.75)
Barracuda	Oct	184 (468)	0.88 (0.75)

Figures in parentheses are for the corresponding period. Dividends are shown net of tax and are adjusted for any intervening scrip issues. Pence per share gross. Based on 2.50p price 29/12/89. All assumptions. Share price and cash offer subject to change, making in 1990. In Robinson Tobacco (Holdings). Based on FAV to be determined.

What happens when those with an experience of wealth meet those with a wealth of experience?

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With this background brief, your investment manager will suggest an investment strategy, discuss this with you in detail, and establish your investment portfolio. Your manager will be responsible for investment decisions, report to you on actions taken and deal with all of the associated administration and paperwork - even down to completing your tax return for you.

If this sounds an attractive prospect, we suggest that you read our Private Client Investment Services brochure. Simply fill in the coupon or start getting used to personal service by ringing either Ian Mackenzie in Edinburgh on 031-228 4477 or Richard Carey in London on 01-353 5050.

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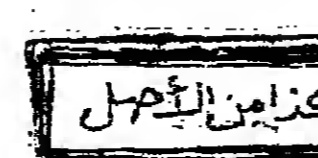
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FINANCE & THE FAMILY

Diary of a Private Investor

Disney shows the way

THIS YEAR seems to have been rather a dull one for my family's stock market investment...

benefit from the special discount voucher scheme offered to Next shareholders...

for 230p a share in January. I had bought my holding at 103p in September 1988...

on commercial property in the London area and the South generally had not been reflected adequately in the share prices of property companies...

more than doubled their money by buying Walt Disney shares in December 1987 and selling them last October...

David Waller on shortened accounts Some are more equal than others

IN ANY company there are two classes of shareholders: those in the know, and those in the dark...

breakdown of the interest bill or a description of extraordinary and exceptional items...

Even the august Institute of Chartered Accountants (ICA) in England and Wales has jibbed on this point...

The proposals are more likely to cloud, rather than enhance, understanding

'No-tax' bonus on profitable hobby

I HAVE a moderately valuable stamp collection, estimated to be worth over £20,000 at current catalogue values...

'Am I correct in assuming that articles of a personal or domestic nature, which attract CGT, are lumped-in with the tax due on share transactions?'

Q&A BRIEFCASE No legal responsibility can be accepted for the information given in these columns...

the personal representatives in realising the estate, CGT would not be chargeable.

use of one's executors? The same question also applies to the problem of establishing exemption from tax for gifts made out of normal income...

INVESTING IN JAPAN Japan has the strongest economy in the world. The Yen is likely to be one of the strongest currencies...

Gifts to a son abroad MY WIFE and I are about to contact our solicitor in order to change the ownership of our house from joint ownership...

Wills and ways... MY WIFE and I (respectively 64 and 61) own our house, valued at £150,000, as tenants in common with equal shares and jointly-owned assets of £50,000...

Selling of shares I UNDERSTAND that it is possible to sell one's shares oneself, ie without using a stockbroker...

Record of donations I UNDERSTAND that a single gift out of capital of up to £3,000 annually is exempt from inheritance tax...

Where to complain CAN YOU tell me the address to write to when an investor has a complaint against a stockbroker? You can address your complaint to the Surveillance Division, or to TSA Complaints Bureau Stock Exchange, London EC2N 1BQ.

REGISTER NOW A NEW UNIT TRUST FOR A NEW EUROPE The 1990's look set to be Europe's decade with a huge investment potential. That's why Save & Prosper will shortly be launching a major new fund - European Smaller Companies Fund.

Record of donations I UNDERSTAND that a single gift out of capital of up to £3,000 annually is exempt from inheritance tax, as are any number of small gifts to individuals of up to £250.

THE NEW PEP FROM SAVE & PROSPER A FREE CHOICE. TAX-FREE. With the new Dealing Plan PEP from Save & Prosper you're free to choose any of the top 140 shares quoted on the London Market.

MINDING YOUR OWN BUSINESS

Roy Hodson looks at the track records of entrepreneurs whose hopes and fears he has chronicled during the year

Hard work is paying off for the class of '89

THE SYMBOL for small entrepreneurs in Britain should, it seems, be the humble kitchen table. I've been introduced to a good many of them in the 12 months since I began to chronicle the adventures of people minding their own businesses.

So often, the brave new enterprise started with thoughts and experiments at the kitchen table. Meg Dorman raised her first cakes on her table in Warwickshire before going on to sell them world-wide from her own small bakery. When I visited Kenneth and Jane Dean, who

had started the Slide Studio, their table had all but disappeared under a mass of computers and printers. Michael Bedford claims he had his idea of providing chauffeurs to order (Duty Driver) while sipping a drink at his kitchen table.

More than 100 people trying to make their way in the business world, usually with much more ingenuity than capital, have appeared on this page so far. I hope just as many will tell their stories during 1990. Meanwhile, here are how some of this year's crop have got on...

Driver has expanded from two to nine offices. We are on target for our £500,000 turnover in the current financial year and we expect to reach £1m turnover next year. Nearly half our franchises are being taken up by executives' wives who find it is a business they can run from home.

■■■■

BRIAN Marks and Alan Ashbee coped with redundancy a year ago by using their houses as collateral and funding their company - Universal Parking Systems of Swindon, Wiltshire - with £108,000. They were banking on local authorities buying sophisticated equipment to meet sophisticated requirements for car park barriers.

Marks says: "We ran into problems with all three of our standard product lines. The solar-powered meter launch had to be delayed until next year; the pay and display machine did not come up to our quality standard; and our German supplier had to change the design to meet British requirements for car park barriers."

"But the advantage of being small is that you can react fast to circumstances. We filled the gap by offering schemes for vehicle access to small private car parks." Their company has completed orders worth more than £130,000 and has work worth £80,000 in the pipeline. They are hoping to land a couple of £150,000 orders in 1990.

■■■■

I DESCRIBED Tim Coghlan, 41, as "shaken and stirred by misfortune" after hearing how he became a casualty during the wave of sackings in the City of London. He turned from stockbroking to the quieter waters of the English canals and, after a property transaction on an heroic scale, became the principal owner of the Braunston Marina on the Grand Union Canal.

He says now: "It was necessity that drove me down the road I have taken, not the relentless pursuit of fortune. That we seem to be succeeding is good. But that we are not falling is what really pleases me."

Coghlan entered the second-hand boat market in the summer and soon had 15 to sell



Phil Careless... he has expanded from ice-creams, hot dogs and afternoon teas to mountain bikes and a restaurant liquor licence

worth £200,000. He points out that commissions on them average 8 per cent - compared with 0.25 per cent on the Stock Exchange.

The company has won planning permission for houses and flats around the marina and will be developing them jointly with British Waterways and a local property company. It will also be allowed to build a canal-side pub - the Dry Dock Inn.

Times have changed, he says. These days, his rubbish bin is full of unsolicited offers to provide him with capital.

■■■■

MICHAEL Pearce, 37, was the envy of friends and colleagues from the moment he started

his own foreign exchange and interest rate advisory service at the beginning of 1989. Instead of commuting into the City every day, he set up his office in a "granny flat" attached to his farmhouse home in the village of Aldbury, Hertfordshire. He and wife Alexandra, who also used to work in the City, share a two-deck office with a fine view.

By charging companies £1,000 to make an initial study of their needs, plus a £550 monthly retainer if he works for them, he expected his turnover to reach £40,000 in his first year. "We have experienced special good fortune," he says. "Technology, economics and luck have converged and allowed Pearce Management Consultants to offer the right service at the right time to the right businesses."

"Over this period, our client list has grown four-fold and the average size of client has increased from a turnover of £1m to a turnover of £50m, although our fees have not improved by the same factor.

"To begin with, I targeted small companies as our market sector. But experience has shown that it is the medium-sized companies which are quick to recognise the benefits of the services. We have also been helped by a venture capital company which has promoted our services to businesses it invests in."

mother could take a full week's holiday in the West of Ireland. "We are refreshed and gladder than ever," says Anna. "After the first year, we feel we are on course with our long-term plans for the pub."

■■■■

DEEP IN a delectable Sussex valley, I came across 40-year-old Phil Careless and wife Jan working hard on their new business - the Stammer village store. He retired from the army as a warrant officer and they determined to turn the quiet little business into something that would be exciting and provide a good living.

The store is in Stammer Park, outside Brighton, and was soon exploiting the potential business from day-visitors by selling ice-cream from a tri-cycle, setting up hot-dog stalls at events, and serving cold drinks and teas. They had a glorious summer, both for weather and turnover - which improved 63 per cent between May and November.

Careless has diversified into hiring mountain bikes for local riding as well as securing a restaurant liquor licence. "That," he says, "has transformed what was expected to be our worst winter month into the best, with 12 big bookings for office Christmas parties. Christmas Day this year was spent by us in the kitchen,



David Livermore... business has been better than expected

Tyson. When I wrote about her in June, she had ambitions to expand her business (Meg Rivers Cakes) at a spending 50 per cent annually. She has followed a sensible business route since, implementing a marketing plan compiled for her by Tesco, a firm of consultants.

Her initiatives have included concentrating upon selling by mail order; changing to a more supportive (and less patronising) clearing bank; computerising her mailing list (and increasing it from 5,000 to 10,000); improving her sales literature; encouraging telephone ordering; and taking payment by credit cards over the phone. Her ovens are now working 12 hours a day and sales have doubled compared with a year ago.

■■■■

FED-UP with commuting between Sevenoaks in Kent and the City of London, Ken Dean, 41 - who has a background in engineering and a Ph.D. in computer-aided design - decided last year to join forces with wife Jane, also 41, and make presentation graphics, working from a table-top at their home.

Dean says, however: "We decided we had out-grown that after one memorable morning in the summer with me seeing a client in the lounge, a colleague meeting two more in the dining room, and my wife working on the kitchen table." They moved into small offices and have built up a client base of 153 companies.

As well as slides and folios, they are providing hardware, software and training to customers who want to produce images on their own computers. They had forecast sales worth £100,000 for the year to April 1989 but now expect to achieve £150,000.

Dean stresses, though, that it is very hard work. He says:

■■■■

A SERIES of articles about the pleasures and pitfalls of running a pub included a visit to Richard and Anna Abrahart who bought The Plough, a village hovel in Coldharbour near Dorchester, Surrey, early in 1988.

The Abraharts, both 46, invested £415,000 (including a £250,000 mortgage from Allied Irish Finance); then, they and their four sons - David, 23, Edward, 18, James, 15, and George, 13 - pitched-in to make it a success. Anna lost a stone in weight in just two weeks when they started.

Since then, family enthusiasm has tended to wax and wane. On the good side, they have improved trade by 20 per cent. The down side is that the cellar has flooded regularly and Richard has had to wade about in the night to secure the beer barrels.

An improved garden with a large patio and fish pond proved a popular addition to facilities. Next, they want to provide accommodation for which, they believe, there is a great demand.

Anna says: "The toughest part has been the inability to have one single day and night off together in 50 weeks." Recently, though, the boys rallied round so their father and

times has to keep going all night to complete an order.

■■■■

AS PROPRIETOR of The Bookshop, Bookshop in Kent, David Livermore, 37, clearly finds life congenial. The shop is all his own. He found the site (it was a wool shop) and opened it four years ago as a pleasant change from the pressures of publishing.

This year, he had expected to turn over about £130,000. But business was 10 per cent higher than expected in the summer and the Christmas trade also turned out better than anticipated.

He has been helped by his wholesaler opening a new and larger warehouse. "For a small shop like ours, the need to get the books that are selected by customers for Christmas present lists depends upon the capacity of the wholesaler," Livermore says.

■■■■

TAILORED software looks like having a big future now that modern micro-computers have so much power. Mike and Victoria Farrow, both 36, are providing specially-written software for businesses which don't want to have to rely upon the standard software packages on the market.

In July, the Farrowes - working from a small house in Margate as Chuzzleit Business Systems - were hoping to generate business worth £150,000 over the next two years. Now, they say they still have that target - but it is getting easier to attain.

They have raised their fees (which appeared to be too low) and are installing modems into their clients' offices so they can "log on" to deal with specific inquiries without delay.



Meg Dorman... her ovens are working 12 hours a day and sales have doubled

MICHAEL Bedford, 43, started Duty Driver in Twyford, Berkshire, with just a concept and a telephone. He wanted to provide reliable chauffeurs to companies and individuals, charging a flat rate (now £3.50 an hour) and sharing the fee with the drivers.

When we met last January,



Michael Bedford... his two offices have expanded to nine

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Experts' forecasts

Continued from Page III

edly bullish" about the UK, and is choosing Japan as his other market.

Patrick Gifford, director Robert Fleming.

Forecast for end-1989: FT-SE at 1,850, bearish/ambivalent about the UK, with Argentina as the other market to invest in. The forecast was, he says, "fairly pessimistic." However, Argentina was, until a few weeks ago, one of the best-performing markets. Gifford describes it as "a speculation that produced a roller-coaster ride." The IFC index was up 71 per cent in US dollar terms on December 1988.

He predicts the FT-SE will reach 2,500 by the end of 1990. "I still don't feel very optimistic. I think the very bombed-out interest rate sensitive companies (banks/construction), domestic companies and smaller companies should improve later in the year to provide better returns."

"The other market I would choose is Finland - it has East European potential (especially in Estonia) and has performed very badly this year with tight money and bankruptcies - so there is lots of scope for recovery (P/B ratios of 8.1).

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Forecast for end-1989: FT-SE at 1,800, bearish then bullish about the UK market. The other market to go for was France. "I was quite wrong on the UK. I don't think that the market has done so well this year - only the blue chips have helped to push it up with tremendous takeover bids. However, France was the right

choice." The CAC general index increased by 23.05 per cent from 415.6 to 548.8 in the year.

He predicts the FT-SE will be at 2,500 at the end of 1990. He is "slightly nervous about the next set of company forecasts (in the UK) in the spring, but towards the end of the year it may be more hopeful. It is a weaker market since companies might do well towards the end of the year."

His other market is Switzerland "because of the low ratings for equities and the fact that Swiss pension funds can put more money into equities."

Jasper Olivier, managing director of Hambros unit trust managers.

He forecasts the FT-SE to be 1,700 at end-1989. He was bearish about the UK, with Japan as the other market to invest in. As the most bearish of all about the UK market last year (and therefore winner of the wooden spoon in this particular competition), why did he get it so wrong?

"I thought the Chancellor of the Exchequer would keep monetary policy tight, but it didn't stop money going into the market. Massive takeover activity meant an unforeseeably large amount of money was available."

Forecast for end-1989: he thinks the FT-SE 100 will be at 2,600 and feels slightly bullish about the second half in the UK as he believes "the weight of money argument is still there." His other choice of market is Malaysia "because there is a lot of economic development with growth this year expected to reach 8 per cent."

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Eyes on Europe

WHAT ARE the other fund managers saying about prospects for 1990? Most are enthusiastic. If not ecstatic, about the opportunities being presented by the recent events in eastern Europe.

G.F. says: "The opening of the east is now the overwhelming issue for investment in Europe... Events have radically shifted the risk/reward balance for German financial assets... Germany has become a market which could double or treble, but on some days could drop like a stone."

Fidelity believes that "the continuing strength of European economies and stock markets will provide investors with highly attractive opportunities well into the next decade."

"We expect stock-picking opportunities to remain outstanding for at least the next two years."

Save & Prosper favours markets in continental Europe for 1990. "The opening-up of eastern Europe creates access to vast and largely untapped markets with enormous potential for growth. In addition, 1992 will have an immediate and long-lasting impact on economic growth throughout Europe, east and west."

Barings focuses on South-East Asia, saying: "Asia does truly deserve a premium rating but only for long-term investors. Asian markets are no longer the cheap havens of value that they used to be."

"Earnings growth and general economic growth remain spectacular compared with OECD nations, but the strong underlying fundamental case is now less of a driving force than the mounting liquidity that is trying to invest."

Sara Webb

DIVERSIONS

I too had a farm in Africa. Not in the Ngorongoro Hills, but further south on a similar escarpment with a breath-taking view. I was happy there. Very happy, indeed, until my divided heritage caught up with me...



PLANET EARTH



The homecoming of a white African

Lyall Watson recalls growing up and learning to understand his heritage

I have a particular fondness for vultures. This began when I was six, the year my grandfather died. There seems, in most families, to be a special bond that skips a generation...

out of both box and suit, carried him up to his favourite hill and left him there propped up against a rock. And on the day of the funeral, she had watched with scarcely-concealed amusement as the coffin, filled with stones and old newspapers...

an unfamiliar uniform and sent unwillingly to school. Having already taught myself to read, I was years ahead of my age group and learned nothing but contempt for formal education. My hunger for knowledge was satisfied only by books and by the arrival in our lives of a man of almost unimaginable power.

he made us his tribe and made sure that I, as the eldest son, learned where my duties lay. He taught me Zulu. Not the polyglot concoction which most whites pick up reluctantly and blacks rightly dismiss as "kitchen kaffir" but the classic tongue with all its style and dignity.

None of our family went to the funeral. It was well attended, but a purely Zulu affair. I was never able to mourn him properly and felt his loss like a wound that would not heal. It stayed that way for almost 30 years.

black man with grey hair and sparkling eyes, who loomed large over my right shoulder wearing the beads and feathers of a Zulu sangoma, looking immensely proud and laughing and laughing with obvious pleasure as I held the audience in the palm of my hand.

Sokhela died when I was ten and shortly afterwards we moved to Namibia, where my father had been asked to design a bank in the capital, Windhoek. It was a good move, taking us away from the mudflats of the British Transvaal...

From the moment we arrived there, I felt very much at home. Even the names seemed familiar. Okahandja, Omaruru, Usakos and Otjara - talking like people from the tongue. We lived in a house on a hill, designed by my father to blend in with the nineteenth-century castle of our nearest neighbours.

And it was there that I took to a routine that has since become a way of life. Rising before the dawn to have the pots from the tongue. We lived in a house on a hill, designed by my father to blend in with the nineteenth-century castle of our nearest neighbours.

Namibia, strictly speaking, is a desert, but that stark west conoids astounding riches. The plant cover is indeed sparse, laying bare the bones of geological time and making it easy to read the history of the land. The rocks themselves are often hard-edged, some find them grotesque, but the craggy forms are always softened by a thousand pastel shades which slide across them with the passage of the sun.

On first acquaintance, the desert seems easy to read. It is a candid place, revealing rather than concealing, clean, stark, bold, forthright, the sort of place whose obvious honesty lends itself to easy contemplation. The perfect environment in which to meditate, and hence the birthplace of all the great western religions, home to the founding fathers of Judaism, Christianity and Islam.

Coming from Johannesburg to Windhoek was cathartic. Even at the age of ten I felt liberated, was conscious of a weight being lifted from my shoulders. From the moment I took to the Namibia hills, I understood the lessons my old Sokhela had been trying to teach me. Here were all the answers to the questions he had prompted me to ask. Here was the essence, everything you always wanted to know about the Dark Continent, Africa made easy for anyone with eyes to see.

It still feels that way. This is extracted from "Roots and Routes in Africa" by Lyall Watson, originally published in Esquire Magazine. Japan. Lyall Watson's new book, The Nature of Things, will be published by Hodder and Stoughton next April. Copyright Lyall Watson

SOUTHWARK HAS just produced another major addition to the history of London: a well-preserved, oak-timbered Roman wharf at Guy's Hospital, London Bridge, on the east side of the Thames. It is between 1,500 and 1,900 years old and 10 metres long and its discovery is a further triumph for the Museum of London's Department of Greater London Archaeology (DGLA).

The threat to finding London's history

work? Simon Hughes, SLD MP for Southwark and Bermondsey, has said that "EH's announcement that it will reorganise London archaeology is a 'quango bidding for more authority'". EH maintains that the number of expensive digs needs to be reduced, developers' costs need to be cut, and crises such as happened at the Rose Theatre this past summer must be avoided. It proposes that it (EH) should be the advisory body for London archaeology, advising on one hand the developers and on the other London planners.



The Roman wharf at Guy's Hospital (GLC grant) and £200,000 as grant aid for projects. The developers paid the bulk of the money.

But the main charge against EH is that the overall view will disappear and London's archaeology will suffer. The Museum diggers would welcome some outsiders, but stand firm that the prime responsibility should stay at its natural home, London's own museum and archaeological research centre. EH's reasoning is difficult to fathom. Many archaeologists wonder how committed EH is to archaeology at all.

Many reports show the quay had a long life. Its timber is in excellent condition, some of it by the mid, some of the high yellow-brown of oak. The stone and brick details are well preserved and will give the falling dates and fix the sequence of repairs.

left to make substantial gains in the history of London. Digging produces major discoveries, as we have seen with the Globe, the Rose, Guy's Hospital Roman wharf and the Huggin Hill Roman baths.

More archaeological in high places in EH might have led to a better outcome to the Rose Theatre drama, which has soured relations between EH and the Museum of London.

MOTORING/GARDENING

The '90s: a decade for going Green

Stuart Marshall foresees some dramatic changes in car design over the next 10 years

LOOKING AT what lies ahead for motoring in 1990 is quite easy. It will be more of what we had in 1989. But trying to forecast what the next decade will bring is more difficult.

So far, give or take a couple of hiccups caused by oil crises in the past 20 years, the growth of private car usage in the post-Second World War era has, apparently, been unstoppable. Can it continue throughout the '90s?

The car-makers investing vast sums to improve products that are astonishingly good already, seem to think so. New roads are being built and still more are planned, although it seems unlikely that construction can ever keep pace with demand.

traffic will be up by at least 17 per cent, perhaps by as much as 80. If you think congestion is bad now, just wait another decade.

Yet, all the forecasts of continuing growth in car numbers and usage must be seen against a background of the growing Green movement. I use the term in a wide sense, to mean a general desire to reduce atmospheric pollution and protect the global environment without having to give up things that make late-20th century life comfortable.

Unquestionably, the motor car has become much cleaner in recent years. Today's engine technology means a new vehicle puts less than half as much

into the atmosphere as it would have 15 years ago. And with the increasing use of exhaust catalysers, engines will be cleaner still by the early 1990s.

The uncomfortable fact, though, is that the cleanest catalyser car still produces carbon dioxide in amounts related directly to the quantity of fuel it burns. So, with government, opposition and pressure groups of all kinds trying to out-do one another in their greenness, it seems to me that the '90s will put fuel economy high on the agenda once more.

Potentially, this could have a profound effect on both the cars of the next decade and the way we drive them. Those that in past years have steadily been getting

larger with each model change may have to become smaller, lighter and more fuel-efficient instead.

Nowhere in Europe are unrestricted speeds allowed any more except on many - although not all - stretches of the West German autobahn network. Yet, virtually every car made today is capable of exceeding legally permitted speeds by a wide margin.

Broadly, the faster a car is driven, the more fuel it consumes and the more atmospheric pollution it creates. When the Greens made this point in Germany in the mid-1980s, the local car industry fell over itself to agree to the compulsory introduction of exhaust catalysers in advance of

any general requirement to have them in the European Community.

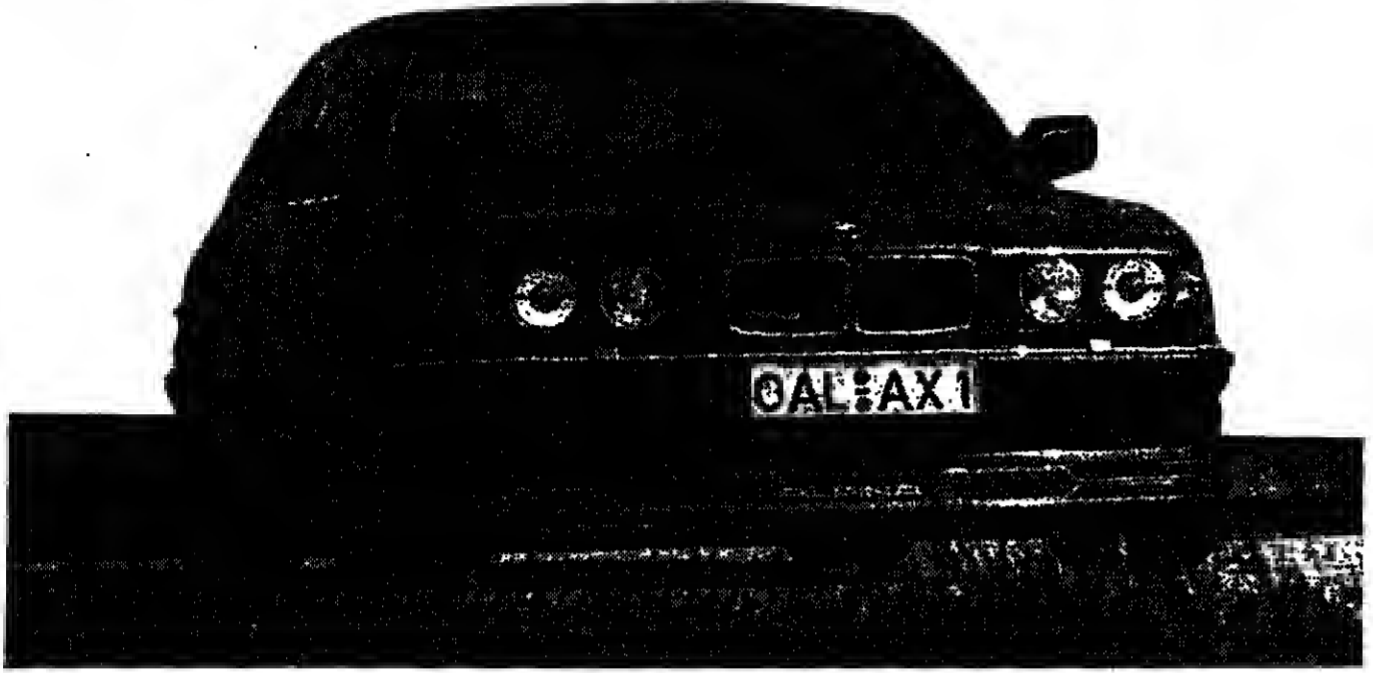
So, the freedom to drive as fast as you can on the autobahn remains - but for how much longer? Optimists among the German car-makers say five years; pessimists say three. And when the autobahns are speed-limited - probably to 130 kmh (about 80 mph) at most - in the interests of environmental protection, the effect on car design could be dramatic.

At the moment, the excuse for making cars capable of 130 mph (210 kmh) and over is that buyers can, if they wish, drive them at that speed in Germany. Once that possibility is removed, what is the point? Of course, a high maximum speed is a

reflection of the modern car's excellent aerodynamics and economically high gearing as well as sheer engine power. In Japan, where the maximum speed limit is 100 kmh (62 mph), the large-engined, high-performance car is alive and well and becoming increasingly popular.

But even if its owner is prepared to risk a fine like the national debt, it cannot be driven at more than 180 kmh (112 mph). If he tries, the electronic fuel-injection system cuts out. Acceleration is unaffected, only the top speed is curbed.

Might it happen in Europe? I think so. Already, BMW and Mercedes have agreed unofficially to limit the speed of their fastest models - although only to 166 mph (268 kmh) - by such a device. Obviously, politicians already are talking about pollution taxes on all equipment that burns fossil fuel, from power station boilers to car engines. Is time running out for 160-mph engines and very high-performance cars in Europe? We could get the first indications in 1990 that it is.



Surely the ultimate BMW

IF THE BMW is the ultimate driving machine, what is the ultimate BMW? It has to be the Alpha B12 5.0.

Calling an Alpha a BMW was not best advice. Richard Bovenstapen, founder of a small Bavarian company that makes a few hundred cars a year based on BMW components. "I am," he once told me, "a manufacturer, not a tuner or converter. A small car, maybe, but still a manufacturer."

The B12 (pictured) is his latest effort. It is a 750i saloon, with the output of its five-litre, V-12 engine raised from the normal 300 to 350 horsepower. Its torque (pulling power) has also been increased slightly.

The power boost has not been achieved simply by polishing-up the cylinder head but by changing the electronic engine management system

and using lighter pistons and new camshafts. A special stainless steel exhaust system incorporates the Alpha's own design, three-way catalytic converter and the B12 runs only on unleaded petrol.

Modifications to the four-speed automatic transmission make shifts even less perceptible. The "sport" mode is sportier and the "economy" mode becomes a little closer to "sport" than in a standard 750i. The steering has been firm-up and three different suspension settings are offered to suit a driver's tastes.

Standard BMW sports suspension was fitted to the B12 I drove for a few days recently. Alpha and Michelin worked together closely to achieve the most harmonious balance between the ultra-low profile MXX tyres and the

suspension. The result has proved outstandingly successful because the B12 combines the nervously obedient responses of a super-sports car with something close to the ride comfort and urbanity of a chairman's limousine.

A traction control system ensures that a prod on the accelerator does not unsettle the massive Michelin on low-grip surfaces. The Alpha by-passes the 165 mph (266 kmh) speed governor and claims a 171 mph (275 kmh) maximum.

Why offer even more performance when the peg BMWs, from the least expensive 518i to the 750i, are renowned for their pace and acceleration? "The appetite grows with the eating," replied Bovenstapen, a man who clearly is no stranger to the pleasures of the table.

Stuart Marshall

Designs on change

Gardening

Arthur Hellyer on lessons for future landscapers

IS THERE a quiet revolution taking place in the gardening world that hardly anyone has yet noticed; a change in facilities that could have as far-reaching and unexpectedly desirable results as the advent of garden centres 30 years ago?

If so, it is due to the enthusiasm and desire to succeed of the many hundreds (perhaps thousands, for I have no reliable figures to guide me) of eager young students passing through the ever-increasing number of colleges, institutions and privately-owned schools with courses in garden design. They do not think that their talents are being used

adequately - and they are almost certainly correct. It is very different in the US; but then, in matters concerning gardening, things always have been very different over there. For one thing, Americans have a lot more money to spend than people in the UK. For another, they are much

less confident of their own unaided ability to create gardens, whereas the British have been doing their own thing for centuries. Even the great landowners and wealthy industrialists who spent fortunes on making what are now world-famous gardens have usually masterminded much of the work themselves and have been prepared to instruct, contradict and interfere generally with any professional landscape designers they engaged.

In Britain, there are probably around 500,000 gardeners with enough knowledge to make their own gardens to suit their own requirements with no more than expert advice on technical matters. Yet, the techniques of garden-making are diversifying so rapidly that, even in this limited field, there must be a lot of scope for help from highly trained and imaginative professionals.

There could be another 500,000 home-owners with sufficient faith in their own skills to tackle their own garden-making with the help of contractors, but most of these would do better with personal plans provided by well-trained designers.

That leaves millions more whose only interest in their gardens is that they should look smart, be easy to maintain and add to the value of the properties overall. Undoubtedly, this huge section of the populace needs good design advice beyond what is usually

available from contractors whose special skills concern paths, turfing or sowing lawns, and carrying out simple foundation planting.

Then, there are the builders themselves, anxious to sell their new houses but finding that increasingly difficult in what has become a buyers' market. There is no doubt that a house with a well-planned garden is easier to sell than one where the garden lacks character and charm, or even does not exist. Virtually all new building estates have a few demonstration houses furnished in various popular styles and a few also have demonstration gardens as well, but this expertise could be carried a lot further.

What the young designers are saying is that both builders and the public should be much more aware of the services that are available, and of the financial and amenity benefits that would result from making better use of them.

I have heard these compared to the advances that have been made with designer kitchens, although I think it is a little dangerous to carry this analogy too far since the range of possible garden designs - even when you are considering only the paltry plots that go with most small to medium sized houses today - is much greater than that of the kitchens of those same properties. The permutations of pavings and ground covers, of plants, water features, furnishings, buildings, ornamentations, lighting, colours, scents, leaf shapes and textures are very large indeed.

It would not be feasible for customers to choose fitted gardens in the way they choose fitted kitchens, but I am told that computer graphics can do marvels if handled cleverly by skilled operators and that it would be possible by such means to produce, rapidly and efficiently, garden plans (including the best plants and ancillaries) to suit particular needs. I also understand that the average outlay for garden making for a three/four-bedroom house in the US is about \$24,000 (say, £16,000) and that the comparable figure in Britain is around £1,000. That does seem to leave a lot of room for improvement.

The professional body that is attracting the support of many up-and-coming designers is the Society of Landscape and Garden Designers at 29 Reigate Road, Ewell, Surrey KT27 1PS. No doubt it would be glad to explain further the possibilities for designer gardens that exist already and the various ways in which these might be expanded.

Best bets for when the heat is on

Robin Lane Fox picks winners for a searing summer

EVEN IN early April you would never have guessed it: there were daffodils by the thousand, a few mild ground frosts and the backwash of a week's rain which had washed out my first attempts at hedge-planting.

We were capping each other's stories of flowers out of season: dotty delphiniums to see in the new year, crazy roses and a scattering of violas which had flowered all winter and were still in good heart for the run-up to Easter. The odds were in favour of a mild, wet summer, a bit like 1988, when swimming pools turned green with algae and gardeners wore the only smiles among the sun-baked British public.

At the time, it did not seem too risky to be planting pot-grown yew and box. I remember a mild afternoon when the white cherry blossom had opened a few weeks early and we dug in pig manure all day before planting the last of the long line of yews: they looked neat, dark green and highly promising, a barrier for the late 1990s which would put other conifers to shame. From that day on it rained four times before autumn, the longest and most testing drought since 1976.

Everything came out in a rush; by the second week of July, gardens were in serious trouble; the grass turned miserable brown, phloxes hated it and borders were reduced to a

tangle of dead stems. In August, trees were struggling for water and starting to change colour, but the wind and rain were then so slight that most of them kept their leaves into November. Only now has the water balance begun to be corrected.

What should we file in our memories after this horrible summer? For me, 1989 was the year when I discovered Viburnum Hillieri, which I saw in full flower on a hot afternoon in two great Gloucestershire gardens. It is plainly a shrub for all of us, a pleasantly spreading bush to a height of about 8 ft, which is set with creamy yellow flowers in July.

From this memory, I jump two months to autumn's hardy weather which they know at home. Libyan and east Turkish cyclamen flowers, freely in captivity; the charming Greek cyclamen had its best year ever, and I retain the image of a long hedge of clipped green Thuja in Hampshire which had been underplanted with pink and white Neapolitan cyclamen in the gap between its base and the edge of the lawn.

The cyclamen were flowering by the hundred; they are ideal plants for those "impossible" places: among tree roots, below hedges and wherever the soil is dry and partly-shaded. This year was a reminder that will cyclamen will grow when just about everything else packs up.

Of the trees, limes and catalpas flowered as if they were banking in southern France; we had wisps of yellow flower on a young Golden Rain Tree (Koeluteria) and masses of purple-blue flowers like foxgloves on the Paulownias, although their big green leaves were browned at the edges. The year showed off the Paulownia as a marvellous tree for the warmer counties on a lime soil.

In a colder area, I was always glad of a much hardier tree, the silver-leaved Elegans Angustifolia, which had been planted in a carefully-chosen front garden and kept its silver-grey lustre throughout the summer. This tough tree grows quickly to 12ft or more and deserves a much wider public, as it is almost indestructible.

Sun-loving herb plants flowered profusely but could not hold their flowers for much more than a week. Alstromerias were over in one burst of splendour; cistus dropped their petals too quickly; even

the best penstemons faded after a couple of weeks. My happiest memories were the red forms of the semi-arboreal Phytolacca, which I strongly recommend to gardeners needing colour in a sunny place during late summer.

The mild winter had suited the upright, marvellous Verbena Bonariensis which had sealed itself madly; at Tintinhull, it seemed to be everywhere in a remarkable show of flowers in early September when almost everything else had been scoured to death. If the frost spares it, this Verbena is a marvellous tall feature among border plants, where it takes up little room.

Beyond it, blue perovskias prospered. These plants from Afghanistan make an admirable eyecatcher down the length of a border and keep to an upright shape which needs little support. Oddly, the white and pink-petaled Japanese Anemones flowered freely, although books usually describe them as liking semi-shade. Perhaps mine had settled in, as they are slow growers for their first two years, but some experts then confirmed that shade is not essential for their happiness. These lovely plants will flourish in considerable drought - and in my garden this year proved it.

Throughout 1989, it was quite easy to be green in attitude if I merely use scissor-like favourites weedkillers were useless without rain; anyway, the weeds never grew. Whittely ran riot and I seemed to be no less effective in the long-term war against these little blighters if I merely use scopy liquid instead of the branded pesticides.

As for watering, I never did it, except for the first 10 days of the hardy annuals' life and for anything which had been planted earlier in the season and began to beg for help. Recycled vitamin does seem to be correct; don't bother to water unless you can water heavily and frequently, otherwise you will draw the young roots up to the surface and harm them.

Lastly, the yew trees which were planted as the drought began. They were watered twice in May, but after that left alone. Every one is flourishing, a rate of survival which other gardeners recall from the summer of 1976. I bet those Leylandii cypresses turned brown and died in thousands. In the garden, too, 1989 was the year for the top-class quality hedge.



MOTOR CARS

Advertisement for Dick Lovett, a car dealer. It lists various car models and prices, including a 1989 Ford Sierra and a 1989 Ford Escort. Contact information for Swindon is provided: Telephone: 0793 615000.

ART GALLERIES

Advertisement for Art Galleries, listing various art exhibitions and galleries. It includes contact information for Bristol: Telephone: 0272 426524.

Author's Year book published. For details, FT, Eleventh Floor, London, Knightsbridge Green, London SW7X 7GL.

TRANSPORT LINKS WITH THE CONTINENT

Advertisement for Financial Times proposing to publish a survey on transport links with the continent. It mentions the date 28th February 1990 and provides contact information for Neville Woodcock at 01-873 3365.

Chess

IF YOU REALLY want to really get ahead in chess, say, from county player or promising junior up to expert, or from expert up to master - one or two rather pricey publications are almost essential. The Yugoslav Chess Informator is a selected compendium of some 700 games from master tournaments of the previous six months, arranged according to openings and mostly with commentaries by players or strong GMs. There are frequent references to other, theoretically-important games so it is possible to keep up with the latest ideas and trends in your chosen systems without time-consuming research.

Chess

Jonathan Spielman's world quarter-final victory over Nigel Short, with a line in the USSR championship only a few days earlier, made a profound impact on GM opinion, as did Spielman's later success against Jan Timman where he revived the discredited defence 1 e4 e5 2 Nf3 Nc6 3 Bc4 Nf7. Informator's comments take the form of figurine symbols with a code key in nine languages to explain their meaning. In each issue, a panel of GMs chooses the best games and the most important theoretical novelties from the previous volume. There are sections on FIDE news, tactical finishes and endgames.

Chess

For computer-owners (of any IBM or Atari compatible model), the equivalent is the ChessBase starter pack and the bi-monthly ChessBase magazine which includes more than 1,000 games from top category tournaments, delivered every two months with a theoretical overview by a team of GMs. ChessBase can sort games by players or openings, has specialist disks for the most popular openings, and can also supply Informator on disk. Virtually every top GM, from Kasparov and Karpov downwards, consults one or other of these two publications. At their level, the idea is to take the knowledge core as a starting point and then look for improvements on established play. Both the great champions have full-time aides to help in this work.

Chess

Chess problem advertisement. It includes a chessboard diagram with pieces and a list of moves: Qa4 25 Be5 Ene3 26 Ene3 Resigns. It also provides contact information for Pergamon Chess, Railway Road, Sutton Coldfield, West Midlands B73 6AZ.

Chess

White mates in two moves against any defence (by W. Isler, 1961). It is clear that White's bishop and e4 knight to create discovered check; but to which of many possible squares should the bishop and knight go, and in what order? Thus, the problem is less simple than it seems. Solution page XIX. Leonard Barden

PROPERTY

A long hard road to recovery

After the Crash of '89, John Brennan sees signs of a gradual improvement

GIVEN THE choice, most property people would leave the year 1989 out of polite conversation. There are now, in any event, fewer of them to chat to than there were. Sales volumes down by 40 per cent or more in parts of the UK have forced a slash-out of estate agency staff and a quiet but steady rate of sales office closures.

At this time last year there was a chorus of complaint from the agency world that reports of a property market "crash" over-dramatised the situation. At the top of the market there was still buying competition for £1m-plus town houses and £500,000-plus country houses. The mid-market in the south of Britain was already logjammed. Prospective buyers shied away from loan commitments with (at that time) 15 per cent financing costs and from prices of existing owners refusing to accept that price levels in the early summer of 1988 had been the surf on a five-year-long swell of values. In the midlands and the north agents were battling through one of their busiest selling periods for years, with local prices still catching up on the growth seen in the south.

Down-market, however, first-time buyers were rare. Best estimates were that the race to buy before the autumn 1989 deadline for an end to multiple mortgage tax relief on jointly-purchased properties had absorbed a couple of years of normal demand. At the start of 1989 those first-timers who had not committed themselves to buy three months before had been priced out of the market by rising loan rates.

Twelve months on, what is the state of the UK residential market? Has it crashed, or is it still ticking over and ready to move back into gear? The year 1989 comes nearest to justifying its "crash" status in volume terms. More than 2m homes were traded in 1988. Last year's final total is unlikely even to approach 1.4m. Most of this slow-down can be traced back to the loan rate rises which squeezed first-time buyers out of the market and, in turn, kicked away the resale option for existing owners trying to trade up.

The relationship between rate rises and affordability has been underlined by the speed of those rises. Anyone able to afford £500k mortgages and repayments in August 1988, when loan rates were 9.5 per cent, could have raised around £63,000 without savings. At today's rates that £500 would cover a purchase price of under £30,000. That is a 38 per cent drop in buying power in under 16 months.

Against that background, the slow-down in sales volume tends to mask the true extent of the fall in the market value of properties. Ignoring home-owners' bullish asking prices - which many prospective purchasers have been

doing - the latest figures from The Halifax House Price Index confirm that average achieved sale prices started to fall this autumn. In previous housing market dips, in 1973/75, and again in 1979/81, property prices rose at a slower rate than the general rate of inflation. But they did not go into reverse - as they have in 1989.

Even the averages mask the reality of this reverse. Anyone who has been either trying to sell a property, or has been struggling with suddenly obese mortgage repayments, will be sceptical of averages which smooth the harsh truth of individual price cuts of 15 per cent or more from 1988 values in order to achieve a sale. The averages will also raise only a wry smile from house-builders and developers who have been forced to accept cuts of 20 per cent or more from their 1988 sale values in order to have any hope of turning site visitors into buyers, whether through overt cuts and incentives, or through "soft" subsidised loan arrangements.

least as high as in 1988. New record prices have been achieved on the sale of major town houses in west central London. But, at the same time, crippling bank financing costs have forced the late-1980s generation of individual speculative residential developers to sell for speed, not price.

The real test of whether 1989 was the year in which the housing market crashed, or if it was no more than an uncomfortable emergency stop, is, of course, what happens next.

The Halifax building society denies that the events of the past 12 or 18 months have undermined buyers' long-term confidence in housing. It discounts suggestions that owner-occupiers in the UK is at or near its peak, and that housing is no longer felt to be a good investment. A recent report said: "We do not agree with the more pessimistic commentators on the housing market. We believe that they are excessively influenced by the short-term problems that the market is facing."

Mark Bolcut, director-general of the Building Societies Association, that the summer of 1988 was the peak of the last price rise cycle. Now, the Morgan Grenfell team looks to a two-point cut in loan rates as the trigger for a resurgence of buying activity. On their analysis, the coming few months should mark the bottom of this stage of the housing market, with prices in west central and suburban London, and in parts of the Home Counties, bouncing back up before the year is out.

One of the most comprehensive of all residential market analyses, the 1989 edition of James Morrell's forecasts for the Charterhouse Group, balances the influences of the country's changing age and household profiles against housing supply and funding costs to bring prices back on to a long-term (1987) upward trend, averaging 8.4 per cent a year. Morrell shares the Halifax's view of a further average price fall in 1990; a recovery to around 7 per cent growth in 1991; and a brief surge taking prices up by 12 per cent in the following year.

As for the agents, 1989 has been too traumatic a year for most to risk starting the 1990s on anything but a cautious note. Most share the "2 per cent loan rate trigger" theory. This suggests that confidence will return once it is generally accepted that loan rates are not going to rise further, but that it will take a cut of a couple of points on those rates to trigger any significant revival of buying activity.

Although the high level of visitor rates to new homes developments throughout 1989 does suggest that this trigger could release a mass of currently frustrated buying demand virtually overnight, few agents will risk ending the 80s on a bullish note.

Winkworths, now reporting price rises for quality London homes against falls of over 20 per cent for cheaper properties, believes that values are back to mid-1987 levels as vendors become more realistic about asking prices. Looking ahead, "the idea of property as a short term investment has been deflated, and it will be a long time before we see the same level of buying and selling as we say in the mid-80s."

Bruce MacIntock, managing director of Royal Life Estates, south, has "good reasons to feel cautiously optimistic about 1990". His branches are all reporting unusually brisk trade in what is traditionally a quiet time of the year. He reports "increasing confidence that mortgage rates will not rise further," which has brought first-timers back into the market as prices stabilise.

Twelve months ago this column led off with the headline, "1988: a year for bargain-hunting." A comment from the Halifax sums up the market on the edge of the 1990: "The time left for 'bargain-hunters' may be limited."

House facts

How many?
There are 22.7m houses and flats in Britain for 57m people arranged in 21.5m households. There are now 214,000 more homes than at the end of 1988 after 230,000 completions and around 20,000 demolitions. New building starts this year are expected to fall to around 155,000.

Who owns, who rents, who doesn't?
There are 14.8m owner-occupiers accounting for 68.5 per cent of the housing stock, with a total capital value of £970bn. Public sector housing accounts for 24.6 per cent of all homes, private rentals 7 per cent, housing association properties 2.6 per cent.

The number of homeless people varies according to statistical model.

from 70,000 to well in excess of 250,000, including the unrecorded "hidden" homeless and itinerant population.

How much?
The national average house price is £81,000, ranging from £85,000-plus in Greater London to under £30,000 in Northern Ireland. The average outstanding mortgage is £21,300, ranging from £20,500 to Greater London to just £19,200 to Wales.

The average new mortgage is £43,100 nationally, and more than £60,000 in Greater London. Outstanding home loans add up to £230bn. Mortgage tax relief, paid on interest for loans up to £30,000 and unchanged since 1963, costs taxpayers £7bn a year.

In contrast to the deterrent effect of high mortgage rates down-market, high interest rates have a tendency to make the rich richer. Rates pitched too high and held for too long risk a counter-reaction of nervous about corporate profitability and the dangers of crushing inflation at the cost of a recession. But in 1989 at least, both the seriously internationally wealthy and their domestic equivalents have been almost as active as ever in the housing market.

Competition for the best-quality country estates has been keen. There have been fewer quality country houses available as discretionary buyers have held back for better times ahead, but there have been plenty of cash buyers for the better properties at prices at

The Halifax expects continued strong buying demand for homes, with the owner-occupation rate rising from today's 68.5 per cent to 75 per cent by the end of the 1990s. As for prices, the society forecasts a continuation of the 1988 trend into 1990, with average UK house prices falling by as much as 10 per cent year-on-year. It expects London and the south east to recover, possibly by the year-end, possibly by spring 1991, depending on the timing of interest rate cuts. Beyond that, it expects the recovery to become stronger in 1991, leading to a mild boom in 1992.

Morgan Grenfell's economic forecasters were among the first of the City analysts to echo and amplify the view (unfashionably reported in this column)



A trailblazer from Mitsui

A PICTURE of the future... Naoshi Onizawa, vice president of Mitsui Construction, with John Topping, chairman of Taylor Woodrow Property Company, turn the first sods on the five-acre St Mary Abbots Hospital site in Kensington, west London. Taylor Woodrow paid the North Thames Regional Health Authority £47m - a heady £9.38m an

acre - for the land in April. Planning for this site - plus the adjoining four acres to be released when the existing hospital moves on completion of the 600-bed Westminster and Chelsea St. Stephen's Hospital - provides for 300-plus houses and flats on what will be the largest private residential estate in Kensington for generations. Site clearance work is under

way on the first phase of 45 houses and 120 flats, marketing for which will start in the spring. Four-bed houses from £850,000 and one-bed flats from £190,000 help explain a first-phase completion value estimated at £135m. The prices also reflect Taylor Woodrow's confidence in the site, but it is Mitsui's involvement that provides the most intriguing pointer for the 1990s.

Japanese real estate investment overseas has followed the same pattern from Hawaii to the US West Coast, from New York to Sydney and, since the mid-1980s, in London. In each case, construction subsidiaries of the big Japanese trading houses have carried out exhaustive research leading to a project partnership with an established contractor/developer with a good local reputation. Independent developments funded direct from Japan follow, if that partnership works out.

It's a protected route along the learning curve for each side of the market, and when the resultant information supports the case for long-term investment it clears the path for the Japanese insurance companies and pension funds to seek out the prime "landmark" properties in that market.

After an initially shaky start because of problems in making international comparisons on the lateral yields - the real returns - that can be achieved on an investment on British buildings, the UK commercial property market now has passed these tests. In the past two years Japanese institutional investors have ticked off a good number of the landmark buildings on their UK shopping list. In contrast, yen finance has been a rarity in the residential market so far.

The joint agreement with Mitsui, which follows form to that it is through its local construction subsidiary, Mitsui Kensetsu (UK), is the largest single Japanese investment in UK residential property to date. If the international pattern runs true to form, this £50m-plus share of the Kensington estate's site and development costs is likely to be recognised as the trailblazer for direct yen-funded investment in the UK residential market.

John Brennan

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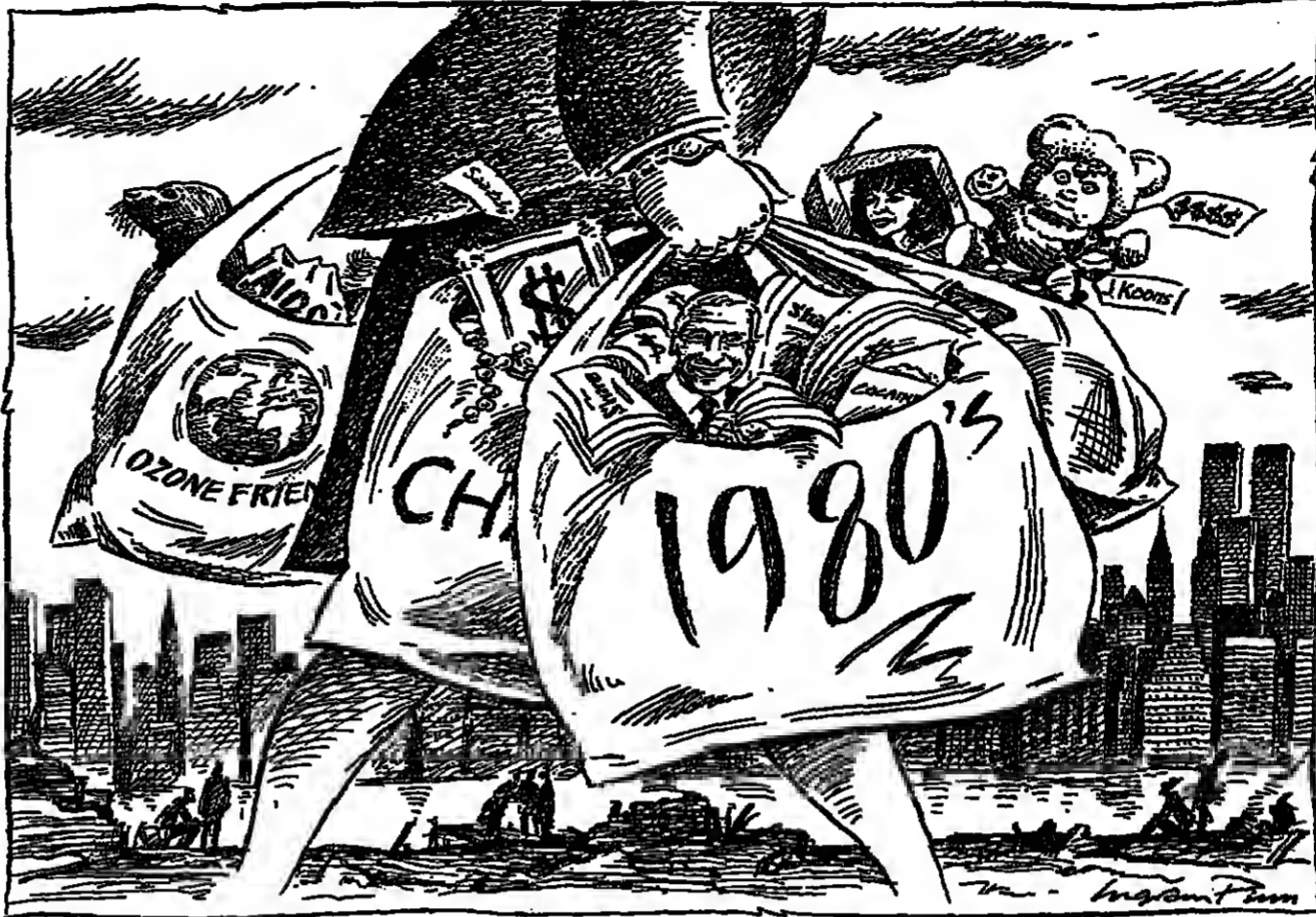
The best of all possible worlds?

By Alice Rawsthorn

THE STORY so far... Candide is a young adventurer of sound judgment and unaffected simplicity who is searching for Pangloss, the metaphysico-theologo-cosmolonigologist who had been his tutor...

CANDIDE looked up to see the familiar skyline looming before him. The skyscrapers glowed gold in the sunlight. Traffic choked the streets. Helicopters hovered from tower to tower. Manhattan looked like a fantastical fairytale. It was plusher and even more prosperous than when Candide last saw it 10 years earlier...

great man for so many things to be named after him. "Oh no," said the doorman. "Mr Trump is in real estate." The doorman's voice was strangely familiar. Candide looked up and beneath the braided uniform he recognised his old tutor, "Pangloss!" he cried. "Can this be my beloved master in such a shocking state? What misfortune has befallen you for the greatest metaphysico-theologo-cosmolonigologist of our age to be working as a doorman in such a place?"



had once thought a masterpiece of nature. Candide proffered a \$10 bill and Cunégonde's story tumbled out. Things had gone swimmingly in the early 1980s when she went to work for a man called Ivan in his penthouse suite on Fifth Avenue. Ivan did deals - or, rather, he pretended to. People, all sorts of people, telephoned to tell him companies were going to be taken over. He bought shares before the news broke and then sold them at a profit.

"How terrible," said the young adventurer, thinking of all the misery Ivan had caused. "What has become of the best of all worlds?" "What is so terrible?" snapped Cunégonde. "Ivan got greedy. And greed is good. He told me so. Or maybe I heard it in a movie."

with charge card bills she could not pay and a cocaine habit she could no longer afford. She had hooked the last Louis Vuitton luggage and now spent her days in the Wall Street gutter with the other bull market babies, hoping a new deal would come along.

her to come away with him - to leave the life of the Wall Street gutter - but she refused. A new deal, she was sure, was just around the corner. Besides, Ivan would be out soon. But she did have news of Cunégonde, Ivan's loyal companion. He was living in a loft in SoHo for another \$10, she could provide the address. The young adventurer duly proffered another bill. At the loft, he rang the bell. A familiar figure appeared. It started with those Jeff Koons stainless steel rabbits and then those porcelain statues of Michael and Bubbles. "Candide, my man!" he cried. Candide's spirits lifted: a welcome at last. Pangloss was so right. All was, after all, for the best in the best of all worlds. Candide ushered him up. The loft smelt of fresh paint. Everything was white except for a pile of multi-black gaudy and gaudy garments tossed into a corner. Candide scratched his crystal. "Black is out. White is in," he said. "I have had it with materialism."

The decline of a mighty king

Peter Knight discovers why the salmon has become another common commodity

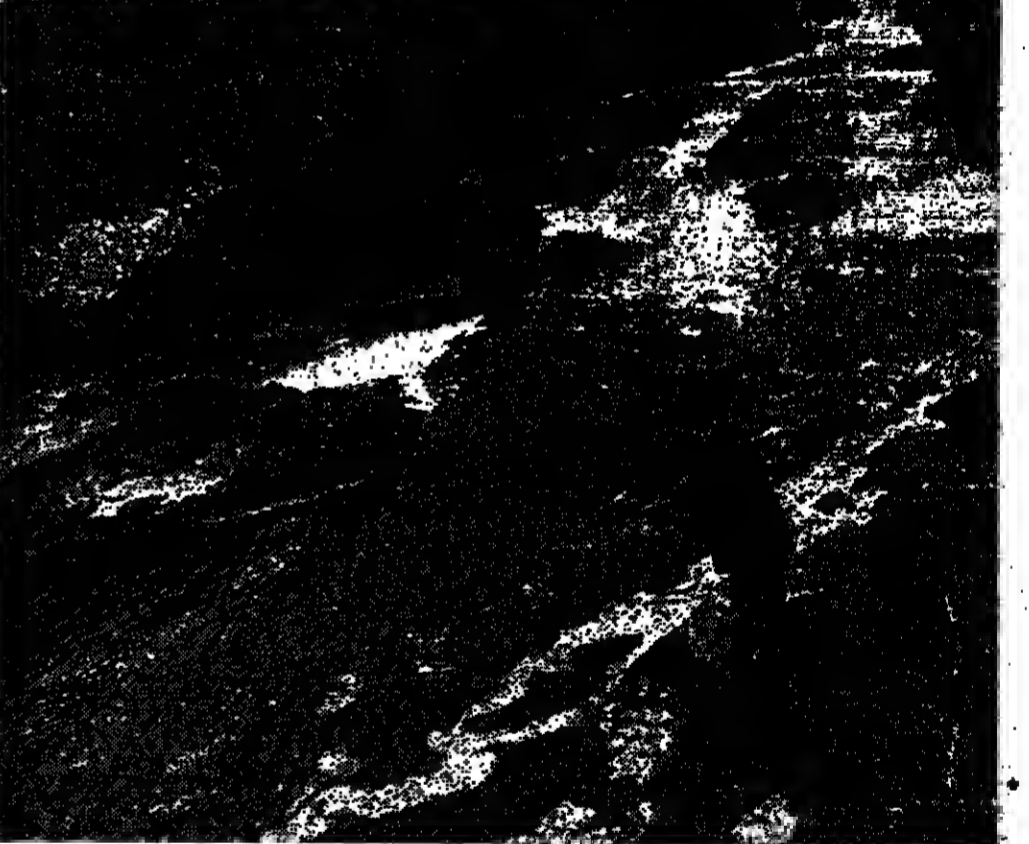
IN THE 24-hour bagel bakery at the golden end of Brick Lane in London's run-down East End, labourers and taxi drivers munch on slivers of delectated smoked salmon. At Waterloo railway station, free slices are thrust on you by tartan-clad salesgirls, complete with a brochure on how to seal the fish to relatives and friends anywhere in the world. "Wee Treat" - that's 10 ounces - of Lochinvar smoked Scottish salmon packed and despatched to, say, Rome, will cost a mere £17.45. The salmon is King of Fish. How the king has fallen. The King used to travel on his own steam, power his way from feeding grounds off Canada, home back to the Scottish river in which he was born and then, with enormous sweeps of his tail, fly high over roaring rapids to calmer waters to sow his seed. Salmon still fly, but now it's by jumbo jet and he is chilled, sliced and interleaved. A Wee Treat. Down on the rugged coastlines of Scotland and Norway, nearly every suitable loch and fiord has an offshore construction that looks like massive baskets connected by walkways. The baskets are nets that hang deep in the water. In the nets are thousands of salmon. The King still swims, but he does it very carefully because there are thousands just like him who occupy a space rather more confined than the Atlantic. The truth is that the King of Fish has become nothing more than a battery hen. He is fed a good diet to encourage fast growth. Synthetic colour is added to his food to give him that authentic pink colour. He

is looked after by medical experts who occasionally dip him in special chemicals to get rid of parasites. He is vaccinated just like a child, or a chicken for that matter. He is protected from greedy seals by double nets and guards with guns. And then, after about 18 months in the sea, the King is given the chop and sent to Brick Lane to feed tired taxi drivers. Maybe, if he's lucky, he'll end up tied with a bow of seaweed to a little block of glutinous rice in a Tokyo sushi bar. A meal, but certainly not a fate, fit for a king. This great fish has become another common commodity. That was probably inevitable. But what is especially irritating is the way the block of farmed fish meat is dressed up as something special by marketers who want to extract the highest premium from a public led to believe that salmon is still king. Take this example of marketing from the Lochinvar brochure: "Drawn from the wild waters of Scotland's Atlantic Coast, only the finest salmon are taken for Lochinvar." Drawn? Taken? Wild? You could be excused for believing that you are about to eat a wild Atlantic salmon. In fact, you will eat a fish that has spent most of its life in a cage, supervised by a company owned by Unilever. Salmon have always elicited strong feelings of greed, envy and excitement. These emotions still run high, but now they are fed by the salmon farmer rather than the interfering environmentalist who complains about the chemicals used, the pollution, the

unsightliness of the farming equipment and the seals and birds which are shot in their attempt to plunder the nets. Scottish farmers accuse their Norwegian counterparts of ruining the market by "dumping" salmon on the French and other international markets. The rod fishermen in Scotland want to stop the Irish and English net fishermen who scoop up salmon before they get back to their home rivers. The poachers hate the landowners, the EEC and fishery protection laws. And everyone hates the poachers - except the hotels, restaurants and tourists who are quick to buy fish caught illegally. The King of Fish is embroiled in a king-sized mess. The King of Fish has become nothing more than a battery hen that threatens the survival of the two most important participants: the pure Atlantic salmon species and, ironically, the fish farmer. First, the farmer. There is a wild glut of salmon. This has driven the price of fresh salmon down to a point where the farmer stands to get a margin of, maybe, 10 or 20 pence a pound in the UK. That is not enough to make a healthy business. Ian Anderson, of Strathaird Farms on the Isle of Skye, off the west coast of Scotland, says: "In the spring we will see the inevitability of this year's losses for many of the farmers. Some will have to reduce their stocking next year because they won't be able to afford smolts (young fish), the feed and also pay all their other bills." Followers of 1970s hippy rock music will remember Anderson as the bushy-haired singer and flautist who rushed around stage in a grubby raincoat making fascinating noises with a group called Jethro Tull. He still tours, but he is also a successful and enlightened salmon farmer. And because he is highly articulate on issues affecting farmers, and knows how to deal with the media, Anderson has become an unofficial spokesman for Scottish salmon farmers. "The farmers will also have to find extra money to pay for the additional costs in rearing salmon which now faces the industry as a result of environmental pressures," he says. Scottish fish farmers are a mix of small business people, such as Anderson, and subsidiaries of multinationals, such as Unilever and Booker McConnell. In Norway, the industry is bigger and better established, but both countries suffer from the worldwide glut brought about by record production in Europe and new farms in the US, Canada, Iceland, the Faroes, New Zealand, Tasmania, Japan and on the Pacific coast of South America. World demand has been outstripped by supply. The problem is made worse when banks foreclose on loans, take over the farms and sell off the fish cheaply when they reach a marketable size. Anderson will address Scottish bank managers in next month. "I will issue this warning: 'We're all in this together,

chaps, and if you begin foreclosing on the best of the end result will be that market prices will be reduced even further by fish that have to be sold quickly." Salmon farmers face three main environmental pressures: pollution, chemicals and genetics. Farmers are accused of polluting the countryside and seascape with unsightly buildings. Environmentalists are also concerned about the possible destruction of the seabed below the nets and potential algae blooms (mainly in fresh water), caused by the nutrients in uneaten food and the salmon's excreta. Anderson responds: "We are involved like it or not in the production of something by a semi-industrial process. We are obliged to use materials and work practices which are, from time to time, potential causes for concern." He feels strongly that salmon farming is the only form of enterprise that can provide the much-needed jobs in the west of Scotland. "I personally prefer to see working people on a fish farm than brightly coloured windsurfers, pleasure boats, portaloos or whatever else the tacky end of tourism might bring," he says. Anderson rejects criticisms about destroying the seabed. If the nets are moved periodically, he says, the seabed recovers. He admits that uneaten feed and excreta does increase the amount of phosphorus in the water which, especially in freshwater lochs, can cause excessive algae growth. When the algae "blooms" it consumes oxygen needed by wild fish. Freshwater lochs are used for breeding young fish. Anderson says farmers have improved their management and algae blooms are not a problem. He is unaware of any major freshwater pollution caused by salmon farms in Scotland. Environmentalists and consumers are particularly concerned about the chemicals and pesticides used to control diseases and parasites. Any intensive livestock farming, and that includes fish, is impossible without the use of chemicals to reduce diseases and various ailments which are common in animals. "Some people are under the impression that we treat our salmon with hormones, but this is definitely not the case," Anderson says. But salmon catch viral diseases and attract parasites which have to be treated with antibiotics and pesticides. Medicines, such as vaccines, are either injected into each salmon or the fish are dipped, much like sheep, in a small tank containing a solution. Medication, says Anderson, is always done under veterinary supervision and the fish is never slaughtered before the chemicals have been purged from the body.

what the consequence of escaped Atlantic salmon in the Pacific is going to be, whether they will be genetically viable and, if they are, to what extent they will be competing with the five, or technically six, sub-species of the Pacific salmon." Ferguson's association fights for the rights of rod fishermen and the protection of the salmon as a game fish. Catching salmon with a fly and a rod is a lucrative tourist draw for Scotland. All those connected with the rod-fishing industry want the salmon to remain the King of Fish because nobody wants to catch a common wimp. The association tries to prevent overfishing by rod and lobbies against the netting of wild salmon as they make their way back to their home rivers. It is also against any form of illegal fishing. "It is difficult to detect the signs of overfishing, and when the species goes into decline it can go very quickly," says Ferguson. This attitude is not, unfortunately, shared by the sea fishermen who legally net salmon from the English coast. And there is no agreement among their Irish counterparts who live off the proceeds of poached salmon caught in drift nets. "We have no other alternative but to poach salmon," says an Irish fisherman who works with two crew from his 28-foot boat. "Our living is being taken away from us by the fish farmers. They get massive subsidies from government and we get no help whatsoever." And Poaching salmon is, in many parts of Ireland, the only way small fisherman can make a



The most common, and most controversial, pesticide is Nuvan. This is a government-approved chemical which gets rid of sea-lice, a parasite that lives beneath the scales and damages the fish. "If left unchecked in a farmed population it will end up killing the fish or leave them open to a disease. None of us could farm without treating for sea-lice," Anderson says. Nuvan is a highly dangerous concoction which has to be handled correctly and used in very small quantities. Some research has linked Nuvan to the increased incidence of cataracts in wild salmon. Salmon breeders are also accused of helping to destroy the vital instincts of the Atlantic salmon, such as its homing ability and aggression, by genetically engineering fish that are placid and suitable for farming. This is an issue that worries most people involved with the salmon, including the more enlightened farmers. The problem is that farmed salmon often escape when, say, there is a storm or when seals break the nets. These fish then breed with wild salmon, and experts are concerned that this interbreeding will eventually dilute the strong homing and survival instincts of the species. James Ferguson, director of the Salmon and Trout Association, says: "Everyone who is involved in conservation and who knows anything about the species is concerned about it." Anderson says interbreeding is a global problem because Atlantic salmon are now farmed on the Pacific coast. "I would argue very strongly against this. No one knows

Bridge

WHEN FIRST I reviewed Adventures in Card Play by Cecil O'Neil and Hugh Kelsey, I called it a remarkable book. It has now been republished by Gollancz at £ 7.95: don't miss it. Let us look first at Non-Material Squeezes:

to three by his partner. West leads the five of spades and East produces the king. East probably holds five spades with ace or king of diamonds, not both, so it looks like the standard hold-up with two stoppers. Wait a minute: if you hold up, East switches to a heart and good defence will put you down. So it's defence! Not at all - there is the non-material squeeze. If East has four hearts, you can bring pressure to bear on him by cashing clubs. But - and this is essential - you must be able to keep a fourth-round entry to dummy in clubs. Win the spade king, lead the eight of clubs to the ace and the nine drops from East. You return to your king and play the 10. Whether West covers or ducks, he cannot deprive you of that fourth-round entry. East, who already has thrown a diamond, is squeezed. A spade discard allows you to set up diamonds; a heart return allows you to play three

rounds of that suit and establish the eight; a diamond severs contact with West, and again you can play on diamonds. So, the non-material squeeze leads to the material squeeze when the fourth club is played. Now for the Non-Material Throw-in: N ♠ 4 2 A 10 6 7 A J 7 10 6 4 2 W ♠ K Q 10 9 6 3 7 ♣ K J 9 8 5 ♣ K 10 5 2 ♣ 9 8 6 8 ♠ 9 7 S ♠ A J 8 5 ♣ A Q 7 3 ♣ A K 6 3

three no-trumps ends the auction. West opens with the king of spades and you hold up. West switches to the heart four - a lead from diamonds or clubs is costly - the king wins, and East returns the nine of diamonds covered by queen, king and ace. You return a club to your ace. West lets go a deceptive nine but you do not fall for it. So, you cash the king and throw-in East with the three. This is the third non-material throw-in, but it leads to the fourth one and that is material. East must lead a diamond. If he leads the eight, West will eventually be thrown-in and forced to lead a spade into your tenace; if he leads the three, East will be thrown-in to surrender the trick by a heart return. You will find the book fascinating. It will open your eyes to things unseen. E.P.C. Cotter

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FOOD AND WINE

هكذا صنعنا النبيذ

THE DECADE that is just about to end has produced more successful claret vintages than any since the 1950s...

The '80s have it, for clarets

Edmund Penning-Rowell looks back on 10 years of drinking

The most disgraced vintage was '84, and this for reasons connected not just with the quality of the wines but with the fact that the crop was about 40 per cent smaller than in the previous year...

ever to draw the cork. This act of speculation that caused prices of the "names" to rise precipitously...



light, and currently even well-known crus bourgois are very "light". There are prominent growers in the Médoc who believe that their '86s are superior...

After all this excitement no-one expected much of 1983. Indeed, following a poor spring, the hottest ever July, and a stormy, humid August that led to a good deal of rot...

The '86 and '88 make an admirable pair, both with large crops but very different in style. The former year began with average frosts, had a normal spring...

The surprising result was yet another record crop of powerfully structured, exceptionally deeply-coloured tannic wines that will take a long time to mature...

After these two very fine, very large vintages, '87 would have had to be an average year to succeed and it was not. The growing season was unsatisfactory...

This entails those properties with at least some international reputation - including that the Bordeaux merchants buy their share of each vintage, good or indifferent...

so by selling them on. There is nothing discreditable or devious about all this, but it hits a moderate vintage like '87, which was hardly a candidate for immediate buying...

The '88s arrived on the en primeur market last year with an amount of controversy as to whether they were worth buying at that stage. The growing season was dominated by drought...

While the cost of eating out has gone up, there has been a big difference between London and the rest of the country. In the capital, this has been largely because of rising costs.

A decade of better restaurant food

Nicholas Lander discerns an improvement in our eating habits

A STRONG case could be made for calling the 1980s the decade of the restaurant.

According to the Restaurant Switchboard (01-888-8080), a service that matches diner to eating-house, inner London has about 7,000 restaurants, hotels and wine bars...

Quantity aside, has the decade been good for the consumer? Is the quality of food on offer throughout the UK significantly better than it was 10 years ago?

While the cost of eating out has gone up, there has been a big difference between London and the rest of the country. In the capital, this has been largely because of rising costs.

The final factor is marketing. As the French and Italians have proved, this is done best in the long term, anyway.

never see a good restaurant advertise. Set these three necessary disciplines - manufacturing, retail and marketing - against the Britain of the 1980s...

This decade has seen a boom in retailing and there are now many restaurants - often more the dream of the designer than the proprietor or the chef - to prove this.



Service charges are a democratic vote.

As a result restaurants have become commodities to market, almost regardless of the quality of the chef and his kitchen...

As a result restaurants have become commodities to market, almost regardless of the quality of the chef and his kitchen...

to cook, whisked off, often all too willingly, in front of the TV cameras or the word processor. Mosmann's is a case in point.

Restaurants in this country seem to be losing sight of the basic role they are supposed to fulfil - and actually do fulfil in many other countries.

Most restaurants have offered fixed prices at lunch for some time and these are often the very best value. While interest rates continue to be so high...

During the 1980s restaurants have become glamorous, and with the rise of conspicuous consumerism it is no longer wicked to be seen in them.

I know that most chefs in London read her column, half hoping that they have avoided her fire, while looking to find a new restaurant to try next week.

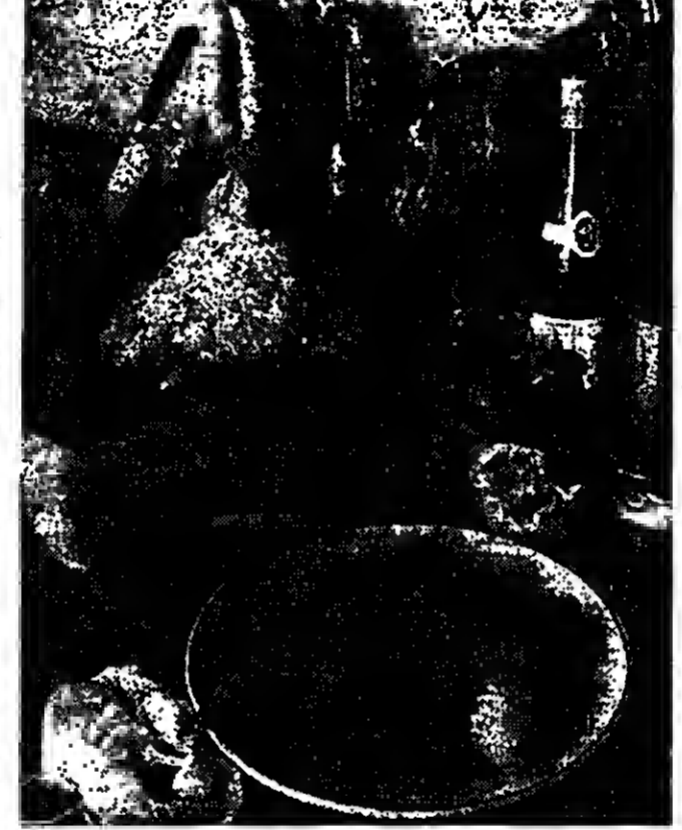
In the bad old days

Philippa Davenport picks some worthwhile books

ONCE UPON a time, cookery books containing recipes and text appeared under the bald chapter headings of soups, hors d'oeuvres, eggs and cheese...

General cookery of this sort is now rare. Specialist cookbooks and "personality" offerings have become the norm...

Lesley Blanch is a larger-than-life personality whose books have become the norm as publishers and authors strive to give their books a unique selling-point.



Choucroute à l'Alsacienne from the Roux brothers book French Country Cooking

of old fish. There is another way. Recipes from the book that particularly appeal to me include: lemon soup with skate and broad beans...

The method: put the celeriac, onion, butter, milk and a little salt in a pan. Simmer gently until the celeriac and onion are soft and tender.

Toast the almonds in the oven until they brown then sprinkle with salt. Shell, clean and halve the scallops. Heat the almond oil in a large pan.

Lesley Chamberlain takes us further afield with The Food & Cooking of Europe (Penguin, £2.99), a scholarly and fascinating introduction to the gastronomy of the area.

Neater to home, the Iberian peninsula gets good attention this year. There is a competent book on The Foods of Spain and Portugal by Elizabeth Lambert Ortiz (Leonard Publishing, £15.95).

Three hardbacks are notable. Extravagantly subtitled Europe's last great culinary secret (Headline, £14.95), and Maria Jose Sorvilla's lovingly written Life and Food in The Basque Country (Weidenfeld & Nicolson, £12.95)...

Food for Thought Oh, what a boar!

Giles MacDonogh on black, hairy monsters



Not everyone shares Mark Leatham's love of razorbacks. Back in April, The Sunday Times revealed that a leading London store was - and still is - labelling razorback meat as wild boar...

Unlike the feral pig, British wild boar is genetically sound - well, almost. In the early 1980s, when wild boar breeding started in Britain...

Spencer-Bernard's farm at Winchenden, between Aylesbury and Thame, was one of the first to launch into boar-breeding and now produces some 200 carcasses a year for sale to restaurants and butchers.

essential for the proper taste. How much does this tame beast taste like the noble lord of the European forest?

So it could be a long time before we can savour the wild animal, and Byron's fibe about England still holds true: "if she hath a wild boar, she hath a tame".

WILD BOARS have been making the news lately. A few weeks ago, there was the story about one in Essex which leapt over a fence and half-foot gate in bid for freedom.

Since then there have been occasional sightings of a "black, hairy monster" on Essex roads. The boar looked set to pass into legend and become every bit as famous in that part of England as Scotland's Loch Ness Monster.

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DIVERSIONS

Old London's ebb and floe

George Drower on ye olde Thames frost fairs

ON BOXING DAY 250 years ago Londoners awoke astonished to find the Thames frozen. Huge ice floes had jammed under the 65 narrow arches of old London Bridge, on the ebb tide, and a severe frost had then locked the ice for miles.

By New Year's Day 1740 a remarkable frost fair was in being on the ice and was to last for the next seven weeks. City dwellers were suddenly released from their cramped streets, by the frozen river unexpectedly creating an open vista. Regardless of the varying thickness of the ice tens of thousands flocked on to it. Along parts of the river mountains of ice resembled the interior of a stone quarry.

Soon constructed was a street of brightly-coloured booths and tents which grew in size each week. Fairground attractions included swings, merry-go-rounds and puppet-shows. Women played skittles, and men the fashionable game of bowls. While cheering supporters warmed their hands with baked potatoes, teams of apprentices risked broken legs by playing hockey and football. There were donkey, horse and wagon races. Coaches crunched over the ice between Blackfriars and Westminster.

Several victuaries in the Strand brought a large ox from Smithfield and roasted it whole on the ice. One well-patronised side show was the roasting of a sheep over a charcoal fire in the middle of the river. Called "Lapland Mutton," admission was charged to those who watched. All prices at the fair were expensive. A popular rhyme was: "What can you buy for threepence on the shore, will cost you fourpence on the Thames or more."

In draughty booths printers established rolling-presses to immortalise customers' names on witty souvenir song-and-verse sheets. The diarist, John Evelyn, had noted of an earlier frost fair: "The humour caught hold so universally that it was estimated the printer gained £5 a day for printing a line only, sixpence a name, besides what he got by ballads."

Although the Thames has frozen on some 20 occasions since Roman times, frivolity on the frost-covered river did not begin until the winter of 1664 when Queen Elizabeth walked over the ice to watch an archery contest. At the first real fair in 1683 - called the blanket fair because the tents were made of bedclothes - Charles II, the merry monarch, hunted fox on the river.

It was only in the 18th century that frost fairs reached their meridian, when a comprehensive arrangement of public amusements were applied to the frozen river which were simultaneously being developed at water pageants, London pleasure gardens and fairs on land.

An irony of the 1739-40 winter was that although the fair gave great pleasure the freeze

caused tremendous misery. In the Thames estuary ships sank under the weight of ice. With the transport system paralysed, coal and bread became scarce. Those necessities of life of life fetched such exorbitant amounts the poor could barely afford them.

An eyewitness at the time observed: "The fishermen, carpenters, bricklayers etc. with their tools and utensils in mourning, walked through the streets in large bodies, imploring relief for their own and families necessities." Such was the spirit of seasonal goodwill when the Lord Mayor launched an appeal to help the poor that even the parsimonious George II subscribed generously.

To carry passengers, some watermen's boats were mounted on wheels or, without sails, were used as horse drawn sledges. Later watermen broke the ice close to the shore and charged sightseers to get to the ice - and sometimes even to leave it.

The imminent ending of the fair provided cause for some levity. On one temporary building a way pinned a notice: "This booth to let. The present owner of the premises is Mr Frost. His affairs, however, not being on a permanent footing, a dissolution or bankruptcy may soon be expected, and the final settlement of the whole entrusted to Mr Thaw."

The river remained largely frozen until the night of February 17 1740, when the ice was rent into enormous masses, and drifted with the falling tides. Early the following morning the residents of houses on Old London Bridge were amazed to see ice floes with uninhabited booths, stalls and tents floating past their windows and thundering against the arches below. Many of the houses, and also portions of the bridge itself, suffered considerable damage. Such was the cold it took the rest of the month for the ice to melt.

The last frost fair ran for a month in the winter of 1813-14. Had old London Bridge still been standing there would have been a repetition of those great fairs. However, in 1831 it was replaced by Rennie's bridge - which was shipped to Arizona in 1978 to be succeeded by a blander modernity. The building of the embankment further quickened the river's flow by reducing its width.

Although exceptional cold winters in 1847 and 1963 meant it was possible to skate along the river at Oxford and cycle over it at Windsor, the structural alterations near London Bridge have kept the lower reaches of the Thames from freezing. The now increasingly mild weather means it is improbable the Thames could again freeze sufficiently to support a roasting ox. Were a river carnival to occur again at the New Year again it would perhaps only be called a Frozen Turkey Sandwich Fair.



Cave churches: victims of their own popularity with tourists

Heritage

The scourge of Byzantium

David Barchard mourns the damage done to Cappadocian churches

SUPERBLY set in a Cappadocian valley of vineyards amid pink and white rock cones, the Hermitage of Nicetas the Stylite is one of about 3,000 Byzantine cave churches in central Turkey. The cave churches, and the 1,000-year old frescoes which many of them contain, are not just hauntingly beautiful. They allow us to look straight back across the centuries into a corner of a Byzantine province where civilisation flourished through the Dark Ages.

But the future of the churches, and their unique natural setting, is in serious doubt. For Cappadocia is now five hours drive from the Mediterranean and a similar distance from Ankara, Turkey's capital. Though Goreme Valley at the centre of Cappadocia has long been a magnet for tourists, the region as a whole preserved its innocence. Indeed, the traveller in many valleys can walk among rock cones and vineyards with only the abandoned frescoes of Byzantine saints for company. But things are changing. The charm of Cappadocia is proving its undoing.

Turkey's interior is a harsh country of steep denuded hills, where Middle Eastern villages of flat-roofed houses built from mud bricks huddle anonymously against bleak landscapes. However, around the towns of Goreme, Avanos, and Urgup the harshness ends abruptly and a sort of natural Disneyland begins. Peasant farmers in orchards toil amid a picturesque landscape where the 10th century is still almost as visible as the 20th and every rock seems to have a carved doorway.

The volcanic tufa of the rock valleys can be chiselled and sculpted with ease. This fact has endowed Cappadocia's towns and larger villages with a legacy of finely carved stone houses of a type found nowhere else in Turkey. Sadly, in the last 20 years, many have given way to the ubiquitous concrete-built modern Turkish block of flats.

Earlier centuries have left their mark too, both in free-standing buildings and in homes hewn out of the rock. Cappadocia is a landscape strewn with survivals from an otherwise virtually unrecorded Byzantine and Ottoman past where Greek and Turkish civilisation co-existed for a millennium.

Ninth and tenth century hermit-

ages and monasteries, a Byzantine army encampment, Seljuk caravanserais and tomb towers, the 19th century mansions of Greek merchants, and Ottoman Dervish convents, whose inmates were ejected only a generation or two ago, all lie within a few miles of each other.

The Hermitage of Nicetas is a case in point. Nicetas - we know his name because he wrote it on the wall - was a Byzantine holy man whose hermitage was presumably sponsored by a local squire. This time last year, on a brilliant winter's morning, it looked virtually as it must have done 900 years ago, before it was abandoned when marauding armies shattered Byzantine Cappadocia.

Outside, snow lay thick and untrodden in the rock valley. Inside the chapel, yellow and orange frescoes of grapes and flowers swirled on the plastered ceiling of the hermitage chapel, carved inside the rock cone and a procession of Byzantine bishops and confessors gazed down from the walls. At the time they were being painted, Alfred was probably King in England.

By the time of my last visit, in April, the modern world had broken in. Sager to have enough sights to show the busloads of foreign tourists now being pumped into the area by the thousand, the municipality of the nearby town of Urgup had driven a road through to the edge of the rock valley.

So there will be a lot more visitors to the hermitage of Nicetas the Stylite, directed to it by a large yellow sign at the turn off from the main road. The new arrivals will be greeted by a ticket collector and will have to pay to enter the valley.

Those who go out of season, when the tour buses are not running, will find only a padlocked iron gate. "We shut the churches down in winter," explained the head of Urgup's Tourism office.

The lure of mass tourism has been too much for the local authorities. In the last two years hotels with a total capacity of more than 7,700 beds have got under way. Local government reform in the 1980s has given town councils

Vast open landscapes are becoming clusters of concrete hotels. In the middle of the most majestic panorama in the region, the town council of Goreme, is building a hotel.

"To think that its foundation stone was laid by a man who called himself Minister of Culture," said one of the keepers at Goreme's world-famous valley of rock monasteries, gazing ruefully across towards the cement mixers amid the vineyards and rock cones.

It is to the credit of Mustafa Tinnaz 'Tinnaz', Turkey's present Minister of Culture, that some of the worst disfigurement of the last few years has been reversed, a hideous plateglass spike above an underground shopping centre has been removed from the entrance to Goreme valley, and at least one of the new hotels has been told to remove two of its unlicensed upper storeys.

The tourism developers' most acute problem is that the valleys were

Vast open landscapes are becoming clusters of concrete hotels

designed for hermits and not for bus loads of tourists. "Congestion meant that tourists sometimes had to queue up at the entrances of the cave-basilicas for hours," said Kursad Numanoglu, mayor of Urgup, said.

To remedy that defect, any available church lying not far from a track or road is being pressed into service. This is why the millennium of silence at Nicetas's Hermitage has finally been broken.

Last April, mechanical excavators scooped out the earth from three long-buried 10th century churches south of Urgup. The access roads and yellow signposts for the tourist buses were already completed. It does not seem to have occurred to the authorities to invite scholars to look at the churches before they were open.

Nor is there very much local consciousness that the objects on display to tourists have a historical meaning. One sees this further down the same road, where the church of the Archangel at Cemil, and the Church of St Stephen have also been requisitioned for the tourist trade.

The Church of the Archangel, with its frescoes blackened by soot, may be one of the churches which was not

abandoned when Byzantine authority in the region collapsed in 1071 after the Battle of Mantzikert. Both it and the nearby Chapel of St Stephen were still in use by local Greek Christians in 1907, when Pere Guillaume de Jerphanion, the virtual discoverer of the rock churches arrived on his first visit to Cappadocia.

For tourists, the Church of the Archangel is called Korkutkisse - "Black Church", and St Stephen's becomes Kesik Kisse, "Drunkards Church".

The new iron gates on the church doors - a barrier against tourists without admission tickets - have been put up a generation too late to prevent the defacement of every easily accessible fragment of fresco by graffiti writers.

The first graffiti writers were monks and Byzantine pilgrims, followed by local Greeks under the Ottoman Empire who wrote Turkish in Greek script. Their signatures are almost the only written evidence, outside official Ottoman archives, to survive from the 18th and 19th century in the area. Do not write on the walls, says a painted inscription in Greek which faces visitors as they go into the 19th century Church of St Basil at Sinasos.

Later generations have less interest to offer. Modern peasants, mindful of Islam's injunctions against human images scratched out faces and eyes in paintings.

Since 1960, local children have carved their names by the thousands on the frescoes, obliterating a good many of them. The result has been a stupendous and unacknowledged artistic loss. It does not only extend to the Medieval paintings. In Sinasos, a town of exquisitely carved stone villas, built as summer residences for the Greek merchant princes of Istanbul a 100 years ago, in many houses the figures in the pictures on the walls have miserable white balloons instead of faces.

Free-standing churches have been the worst affected. At Celtek near Aksaray stands the once magnificent - and by Byzantine standards - unusually large, 12th century church of Cankil Kisse, beside three rock monasteries, the courtyards and churches of which now serve as farmyards.

Cankil Kisse is off the tourist beat, and so has been abandoned to the

elements, its frescoes are crumbling, followed gradually by the rest of the building's fabric. There are about half a dozen other free basilic churches in the district sharing the same fate.

Churches built in Ottoman times have fared better. They have mostly been converted into mosques. At Akyanca, a hill village called Genecala until it was renamed Akyanca ("Brightspot") by officialdom to rid it of alien connotations, the 17th century church of St George is going through the process at the moment.

Lower down the hill from Akyanca is Güzelyurt ("Niceville") formerly Gelveri, and once the home town of St Basil of Caesarea, one of the great fathers of the early church. Gelveri was a mixed Community until the end of the First World War, and by all accounts a happy and prosperous place, its merchants travelling as far as the Crimea.

While the physical remains of Cappadocia's Byzantine and Ottoman past crumble and disappear, some of the human links survive, at least for another decade or two.

Ismael Gun, the oldest man in Gelveri, can remember going into the Church of St Gregory during Moss as a child, and learning to read and write at the village's Greek primary school. His education there lasted only a fortnight for it happened to coincide with the last two weeks of Balkan civilisation in the area.

Gelveri lost nine tenths of its population in 1924 when Greece and Turkey swapped their minorities. Akyanca still remembers a Greek bully called Lazari who lorded it over the village during the First World War and was eventually ejected.

Lazari and the rest of his people left the region in the population exchange between Greece and Turkey in 1924, but one night 20 years later, he returned on a visit. Ismael Gun, drove him to Gelveri and the two men sat up drinking through the night and discussing the old days.

"I remember he kept talking about our infidel ways and 'your Muslim ways' and eventually I got impatient," says Mr Gun. I said to him, "Lazari, stop talking about infidels and Muslims. People are people anywhere in the world. But particularly here. What did Greek and Turk ever have against each other here?"

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Examples for Men

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Classic Raincoats	£185	£125
Trench Coats	£249	£175
Wool Coats	£265	£199
Cashmere Coats	£990	£695
Suits	£249	£175
Sports Jackets	£175	£125
Shirts	£ 45	£ 25

Examples for Women

Trench Coats	£279	£189
Reversible Raincoats	£395	£259
Wool Coats	£395	£195
Car Coats	£295	£189
Wool Suits	£325	£225
Wool Skirts	£129	£ 79
Lambswool Knitwear	£ 99	£ 59

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The Genius of the Place

House of the hermit

Nigel Spivey visits the country retreat of George Bernard Shaw

THERE IS NOT, nor ever will be, a Royal Shaw Society. Whether he be in Heaven or Hell, George Bernard Shaw must regard the existence of the Royal Shakespeare Company with some skepticism. Why is it that, at the time of writing, we have three Shakespeare productions on the London stage, and nothing by Shaw? Wasn't Shaw supposed to have rescued the London theatre from its dull pabulum of classics and inconsequential comedy? Wasn't Shaw responsible for the suppression of "Bardolatry"?

Well, the proposition that Shaw was greater than Shakespeare came from... Shaw himself. Never one for self-enclosure, he christened the part of Hertfordshire where he lived as "Shaw's Corner" and bequeathed the property to the nation in 1944, perhaps antici-



"Shaw's Corner," christened as such by the writer himself

immense cleverness, and was simply too clever to be better than Shakespeare.

Shaw's Corner, at Ayot St Lawrence, is a former rectory, reached by a narrow road. The house retains the air of its original purpose: a centre for pontifical pronouncements and finger-wagging. Shaw lived there from 1906 until his death in 1950, and it is as he left it - soft bomburges on the hatstand, pens on the desk.

At the bottom of the garden what looks like a potting-shed

is where contemplative exercises went on. Shaw was gregarious, and enjoyed some fame as a conversationalist, but the wooden retreat that was his writing hut reminds one of his essentially solipsistic nature. Frugal in his diet, abstinent in his drinking, Jerome in appearance, Shaw never really argues a case in any of his works: he asserts it, and we listen or stop our ears as we please. Since his wit was based on the principle of contrast, it now seems a cheap

way of raising a laugh: the residue of half-truths is too evident.

Shaw was a hermit who relished celebrity. He was capable of marvellous generosity to younger writers short of cash, and yet he took pleasure in producing postcards of stock misanthropy: "Please do not ask Mr Bernard Shaw for money. He has not enough of it to help the large number of his readers who are in urgent need of it. He can write for you; he cannot finance you." Such

printed replies were intended to alleviate the burden of correspondence; but how their maker loved his oracular and patronising power!

Shaw's eclipse is the more comprehensible when we see his portraits of his heroes on his mantelpiece. Central to the idols of Shaw is "Dinco Joe Stalin, beaming away like the Saviour of the World. Shaw met Stalin in 1931 and immediately thought him the world's saviour: what is odd is that in 1948 Shaw was still declaring him to be "the greatest man alive."

This is the danger of hermits who mix with politics: Shaw chastised Johnson for trifling in taverns when he should have been "shaking England with the thunder of his thunder" but what is left of Shaw's thunder - of those Shawian-causes to which his house remains a testament? Shakespeare is still studied at school and produced on the stage. Nudism has not proved popular, neither has testotism. And it looks as if Bolshevism has had its day. By my reckoning, the one message left from Shaw's sermonising is that if we refrain from smoking tobacco and eating dead animals, we may live, as he did, for 94 years.

Shaw's Corner, near Ayot St Lawrence, Hertfordshire, is a National Trust property open April to October, Wednesday to Saturday, 2 pm to 8 pm; Sundays and Bank Holiday Mondays 12 pm to 6.00.

HOW TO SPEND IT

It's goodbye to the designer decade

Lucia van der Post bids a not-so-nostalgic farewell to red braces and 10 years of living greedily

THE 80s were a great time for the belief that money and fashion, as well as great shifts in human behaviour and consciousness, divide themselves into tidy sections that conveniently begin at the start of one decade and then disappear on one at the end. Life to me has more of a habit of throwing up loose ends and leaving unfinished business with murky time-spans of their own.

Nonetheless, the end of a decade brings out a dose of nostalgia in almost everybody, wondering what, if anything, it was all about in a time-honoured and oft-quoted expression: And there are indeed trends to be seen and noted, lessons to be learned.

The '80s seem above all a time when consumerism got out of hand. Money and power became the buzzwords. Films like *Wall Street* captured the fashionable symbols of the decade - power suits, red braces, fast cars, the whole go-getting yuppie ethos - but by the time the '80s drew to a close the moral bankruptcy of these ideas was being exposed.

By the end of the decade the green movement had taken root. It was no longer a fringe movement, run by those with the vision and courage to see what the stampede to buy, buy, buy was doing to the planet. Eco-concern has entered mainstream thinking and poses some interesting questions for manufacturers, shoppers and individuals. How much more material stuff do we really need or need? And if we decide we don't need or want so much, what happens to the manufacturers and the shops and the jobs that go with them? The culture of conspicuous consumption is on the way out. Dare one hope that it is being replaced by a "living decade" by concern for the planet, the environment, the family, for the Third World, for individuals?

The '90s, too, were the decade of style, when you were best expressed by what you bought. It was the decade when the style manuals, *The Face*, *Elle* and *V* became serious guides to how to wear it, and where to go and what to do with it. The designer label was seen to be the solution to all retailing problems. Designer water, designer stibbles, designer food... they all took off. Purveyors of lifestyles prospered. It no longer became enough to sell a sweater. You had to conjure up images of the life the sweater-wearer wanted to inhabit - and that seemed to be the world of lots of old, discreet money.

Along with the cable-knit sweaters came whiffs of Cape Cod and Ivy League status. With designer wallpaper came overtones of mellow mansions, with tweedy jackets came breezes from the moors, with the gentle floral silks came

LYCRA... J.M. Pei's glass pyramid at the Louvre... the fax machine and the cordless telephone... these were some of the things that changed the face of the '80s... As the '80s draw to a close *How To Spend It* asked a group of people, all concerned either with the world of visual arts and design or involved in making things happen, what for them had been the outstanding designs or developments in the '80s. This is what they had to say...

Sir Simon Kirby, Chairman of W.H. Smith and the Design Council. "For sheer beauty it would be difficult to think of anything to beat a silver and black enamel bowl by Gerald Benney that we own. The line, the simplicity of it are quite perfect."

"When it comes to products I think that Bang & Olufsen's collection of music and television products is quite superb. The whole range is a wonderful combination of function and beauty."

"Looking at industrial design the JCB range of earth-movers is a wonderful example of the best of their breed - they have been produced with real care and attention to driver comfort and to function and they look as good as such things can look as well."

Martin Sorrell, chief executive of WPP (Wire and plastic products). "The things that have changed my life in the '80s are the fax machine, the car phone and wire baskets."

Frank Sawkins, founder and chairman of Coach & Spaulo. "Several things changed my

memories of cucumber sandwiches and old retainers. It was a testing time for shoppers - every time you bought a suit, a sweater, even a humble kettle you were making some kind of statement about yourself.

Nostalgia ran wild. Gardeners planted camomile lawns and banks of wild flowers. In small houses in Wellington, faded chintzes and sumptuous wallpapers were hung. Simplicity and stripped pine were things of the past; grandeur was what house-decorating was all about. Floruses and ruffles, rich brocades and thick fat fabrics, velvet scarves and wrought-iron chandeliers came in. Clean, Scandinavian lines were out. Favourite lifestyle props were battered leather-bound books, a pair of ancient guns and a Hardy's rod. The garment of the '80s was the waxed-cotton jacket. It was role-playing taken to absurd lengths, but it set the tills ringing.

Paradoxically, alongside all this nostalgia came a new-found sense and acceptance of new technology. It no longer was smart to boast that only your children could work the VCR. '80s people learned to love the fax, the cordless telephone, the personal computer, the Sony Walkman.

Nevertheless, retailing now looks in dire trouble. It's been a year when most of the sales started before Christmas. Many of the great names of '80s retailing - from St. Thomas Canyon to George Davies, from Sophie Mirman to Laura Ashley - are facing more difficult times. The proliferation of shopping malls and look-alike chains which rob high streets of personality and excitement have to take some of the blame. It retelling is to recover, shopping must be made a more rewarding experience.

Service and convenience surely have to be part of the answer. Why is the weekly shop at the supermarket still such a ghastly experience? Why do these supermarkets that take up great chunks of our family budgets do so little to make life less arduous? At my local Sainsbury nobody helps me pick the goods my fat cheque is buying. There are no lavatories, no facilities for children, you cannot expect to queue for less than half an hour on a Saturday morning...

Easy takings are a thing of the past. Shoppers are more picky. Their expectations have risen by the experiences of the '80s. I have a feeling that the shops that will prosper in the '90s are those with the vision and the will to bridge the gap between expectation and reality, those that grasp the nettle of how to deliver service after a decade when they had it too easy. It's going to be an interesting ride...

Easy takings are a thing of the past. Shoppers are more picky. Their expectations have risen by the experiences of the '80s. I have a feeling that the shops that will prosper in the '90s are those with the vision and the will to bridge the gap between expectation and reality, those that grasp the nettle of how to deliver service after a decade when they had it too easy. It's going to be an interesting ride...

life in the 1980s. First and foremost was buying my first air-tickets to Japan. It was visually such a complete eye-opener, such an inspiration that it encouraged me to see that there was a world market out there for things based on quality and tradition.

"Ceramic discs have transformed the way tape works - they no longer need washers and this in turn means they don't leak and have an infinitely longer lifespan."

Sophie Mirman, chairman and co-founder of the Sock Shop chain. "LYCRA is for me the product of the decade. It has changed women's wardrobes from head to foot - they can now wear skirts that are tight but still comfortable, tights can cling and be wrinkle-free and the bodystocking, which must be the new garment of the decade, would be impossible without it."

Jeff Banks, creator and founder of The Warehouse fashion chain, presenter of The Clothes Show and currently just started a new company, HQ, specialising in clothing



Illustration by John Goodwin

from Stephen Bayley as Director of the Design Museum, Butler's Wharf, from Jan 1. "Two things were for me the outstanding designs of the 1980s. One was the Apple Macintosh, which transformed the culture of personal computers. It became the most versatile design tool of the '80s, enabling designers to manipulate text and images with unprecedented freedom and economy. Then President Mitterrand's Grand Projets for the Bicentenary of the French Revolution was an astounding design

event - some of the most inspiring buildings of the decade were those which commemorated the French Revolution 200 years before. In particular, LM. Pei's glass pyramid for the Grand Louvre is as brilliant and daring as the Eiffel Tower must have seemed in 1889. It is a marvellous integration of the past and present."

Joseph Ettedgui, designer and retailing entrepreneur behind the Joseph shops. "For me the most inspiring things to come out of the '80s

were hand-knits, stretch fabrics and Andre Dubreuil's chandeliers."

Anita Roddick, M.D. of The Body Shop. "The Sony Walkman, without a doubt, I love music, it's simple enough for me to understand how it works and I take it with me wherever I go."

Janet Fitch, who is the taste and impetus behind her own shop, Janet Fitch, 2 Percy Street, London W1, which specialises in designer objects of

Zeev Aram of Aram Associates. "The things that most impressed me visually in the '80s were mainly buildings. I think Norman Foster's Hong Kong & Shanghai bank is the most technologically advanced building in the world. Many of the things he did in that building were completely untried and others, like bringing in light through a system of mirrors, had not been done since the time of the Pharaohs."

"The Stirling and Wilford design for the Staat Gallery in Stuttgart is another building that made a huge impression on me. Not only is it a beautifully executed urban building but I like the poetry of it. Nick Grimshaw's building for the Financial Times printworks in East India Docks is a wonderful structure where the industry itself is on show and becomes kinetic art."

"Through these buildings impressed me most, if I have to name some products I would say that Fred Scott's Supporto chair is an excellent design that serves its purpose admirably. The two-door Fiat Uno is a

very good small car - I love driving it, it is good mechanically and it is wonderful to be in. What more could you ask of a car?"

Caroline Charles, fashion designer, and owner of Caroline Charles, London, 58-57 Beauchamp Place, London, SW1. "Above all I need to communicate with people and the colour photo-copier, fax machine and the cordless phone have all made that much easier. On the personal front lycra tights and the hopen hob have made a difference to my private life."

Julia Hales, environmental consultant and co-author, with John Elkington, of *The Green Consumer Guide*. "Catalytic converters, which screen out 90 per cent of toxic emissions from cars, the nitrous oxides, hydrocarbons and carbon monoxide, are a hugely important development. They are much more common in Europe than here they are beginning to make an impact here, too and Saab are now offering them at no extra cost."

"Personally I took to lacy tights and tights with floral patterns all over them and they really only came in the '80s."

"I like the development of the sort of architecture that is represented by Covent Garden and that is becoming much more common. "Though the first bottle banks actually came to the UK in 1977, they became increasingly more accessible during the '80s."

The increasing sophistication of miniaturisation has transformed so many objects we all use daily - things like computers, watches, calculators, fax machines.

"There were quite a lot of things I disliked intensely about the '80s - for instance the proliferation of the demand for bottled water. It really upsets me because it is such a complete waste of packaging - all those bottles going to waste when people could perfectly well drink tap water."

"Disposable kitchen towels and nappies (5 per cent of household waste is due to the use of disposable nappies) also use up valuable resources and are not really necessary - convenience has overtaken environmental sense and they have just become a mindless habit."

"I dislike the spread of the McDonalds culture and of all that wasteful individual packaging for things like milk, butter, jam or sugar."

Skin-Kay Kan, designer of lights, underwear and other lifestyle enablers. "Without a doubt the designs of the '80s for me were the fax machine and digital audio tapes which give me high quality music and last for up to six hours."

David Davies of David Davies Associates. "Microwave ovens - despite their tarnished image, I think they are one of the most marvellous inventions of modern times. For very busy people who exist a lot of the time on take-aways, tossing some fresh vegetables into the microwave and having them crisp and cooked in 60 seconds is almost a religious experience."

"Car telephones - as anyone involved in business in London spends almost all day sitting in traffic, a car telephone means you can have more useful conversations from the car than you can being harassed in a busy office."

The king of eaux-de-vie

KIRSCH, SAYS Sleighed Fassbind, has got a bad name. And that makes him unhappy, for, not without reason, he considers himself the uncrowned king of quality kirsch. These should be - brandies distilled directly from fresh fruits. Whether they are made from cherries, plums, pears (or even grapes) they should provide a balance of warmth and fruitiness, the alcohol subsiding in the mouth.

True kirsch, such as Fassbind's, has a pure, intense, fruity nose, the very distillation of the cherries from which it is made. It is what the Americans would call a "clear cut", rather nutty on the palate, comparable to Martell's Cordon Bleu or other high-grade Cognacs.

If justice were done, and artificial imitations abolished, the names of Fassbind and Franz-Xavier Dettling, the only other kirsch-maker he respects, would be as famous as, say, the Krug and Bollinger champagne marques. Unfortunately the French, in particular, are liable to mistake Kirsch Funtzide for the real stuff, and that's worse than mistaking bad wine for good because Kirsch Funtzide is so purely artificial, being concocted simply by adding (usually artificial) flavourings to some form of neutral spirit.

Better, indeed normal in France and Germany, are the "semi-real" kirshes and other fruit liquors, made by macerating the fruit in diluted neutral spirit and then redistilling the mixture. Indeed even Fassbind, most fastidious of all Swiss eau-de-vie distillers, has to use this second-best method for half the framboise he produces.

The reason is simply that fermented raspberries contain a minuscule 0.5 per cent alcohol. By contrast a ripe cherry will generate 6 per cent alcohol (almost as strong as the wine used to make Cognac),

while pears and plums will generate 4 per cent. But even these relatively generous yields mean that every bottle of Fassbind's kirsch requires at least 20 lb of cherries, 1,200 tons in all, out of the 5,000 tons of fruit his stills transform into eau-de-vie every year.

Fassbind distills the whole fruit (including the nuts, which add to the flavour as the skins do to red wine). He has even developed his own variation on the classic pot-stills used by Dettling and his lesser competitors. The details are secret, but to an outsider he appears to have inserted

Nicholas Faith laments the fact that kirsch is not more widely drunk

what the Cognacists would call a chapeau, a head to the still to purify the alcohol before it is cooled. The refinement enables him to produce a uniquely delicate and fruity brandy.

Fassbind is well entrenched in the French, in particular, since his family settled in the little town of Oberarth in the Schywe, the canton which gave its name to the whole country, and they have been distilling for more than 150 years.

He now makes an extraordinary range of spirits. These include Kirsch, Framboise, Poire William, a number of plum brandies (the Prunesea is fresher, fruitier, livelier than the heavy, indeed heavy-sounding Pfannli), a rich, apple brandy called Gravensteiner, named after the variety of apple used, as well as more exotic liquids: Going, made from quinces, and a peculiarly Swiss medicinal fluid called Chrutbrandwein, which involves macerating 20 selected herbs in the spirit (Gesser distillers buy packets of dried herbs, Fassbind, not surprisingly, chooses his one by

one). He is now experimenting with a blackberry brandy as well as one made from "holunder" (which the uninitiated may know as elderberry).

Fassbind is operating at the very top of the market. But then Switzerland is, rightly, considered the only country where the eau-de-vie is at least correct, because the law rules out the use of the additives, sugar and artificial flavourings used in lesser countries (not only in France but also in Germany, where distillers tend to use quaint old-worldly bottles to disguise the artificiality of their contents). But purity is only the first

requirement. The type of cherry matters as much as grape varieties. Whether they be Scottish raspberries or grapes grown in Bordeaux and Burgundy, fruit grown at its climatic limit has a more concentrated flavour than the flabbier sort harvested in easier climates. So it is with cherries, and Fassbind's finest kirsch is made from small but flavourful Swiss black mountain cherries, over five kilograms per litre. The fruit for all the spirits is fermented for a few weeks, distilled for three or four hours to the same 70° strength as Cognac, then stored in glass jars.

At this point a distinction emerges between eau de vie derived from fruits with kernels or pits, such as kirsch, prune or quince and the even more delectable products of truly soft fruit like pears and raspberries. The "nutty" brandies, like red wines, need time for their tannins to mature, and therefore benefit from ageing, while the "soffies" should be drunk young to appreciate their fruitiness.

Fassbind even sells a range of vintage kirsch, thus provid-

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YACHTS & POWERCRAFT

Sophistication is the name of the game

Roy Hodson takes a look at what buyers will be spending their money on in the coming season

HIGH SEASON for the international boat shows is almost upon us. And already it is clear that show visitors with money to spend in Britain and continental Europe this winter are going to be looking for more luxury in their new boats and greater sophistication in the equipment they buy, such as electronic navigation equipment.

The new global positioning system (navigation by satellite) is coming in during 1990, and the first orders for sets will be placed by yachtmen at the Earls Court show in London.

It will be the first of a series of technological pace-setters in the boating world during the 1990s, such as computerised charts, easier radio and telephone communications and more sophisticated monitoring of the performance of the boat and its engines by electronics.

Earls Court opens on January 4 and will be followed by equally glittering events in Dusseldorf (January 20) and Miami (February 15). All three will reflect the current trend for buyers to seek bigger and more comfortably-equipped sailing yachts and motor yachts which are becoming positively sybaritic in the luxurious accommodation they offer.

Earls Court, together with the ancillary display of 50 larger yachts at Chelsea Harbour, will offer the chance to see a record number of new sailing and motor yachts designed and built in Britain that I expect to be trendsetters in world markets - and available at competitive export prices if the sterling remains at its present level against the dollar.

The choice is wide in what

promises to be a vintage year. To mention just a few, Northshore Yacht Yards has built a splendid gentleman's motor boat (37-foot long and capable of more than 30 knots) primarily for day cruising. It is called the Swordfish and is in the grand tradition pioneered by the Fairley Marine company. Designer Alan Burnard used to be Fairley's chief designer.

Tony Taylor, who used to be the kingpin at the Camper and Nicholson Gosport yard in Hampshire, has designed a rugged sailing cutter, the Vancouver 36 for blue-water sailors. Sadler, of Poole, has a cruising man's dreamboat with the new Starlight 38, a slooped-rigged fast cruiser which will be produced in both a low profile deckline and a pilot house version.

Fairline, the powerboat specialist, is showing the Targa 42 and the Fairline 50; Sunseeker International is showing the 46-foot Camargue with a bird's-eye maple interior, and there will be a 46-footer in the Princess motor yacht fleet. Indeed, 17 of the motor yachts on show will be more than 45 feet in length.

What is happening at Fairline Boats, of Oundle, one of Britain's most successful builders and exporters of power yachts, is typical of the changes that are taking place in leading companies in the industry worldwide.

Fairline has compiled news of a rise in pre-tax profits of 14 per cent to £A.14m for the year to end-September with plans to move decisively up-market in the coming year.

Sam Newington, chairman and managing director, has decided to drop one of his small boats, a 24-footer, because the market for smaller

boats shows signs of weakness. He also reports that sales have declined for his 27-foot model.

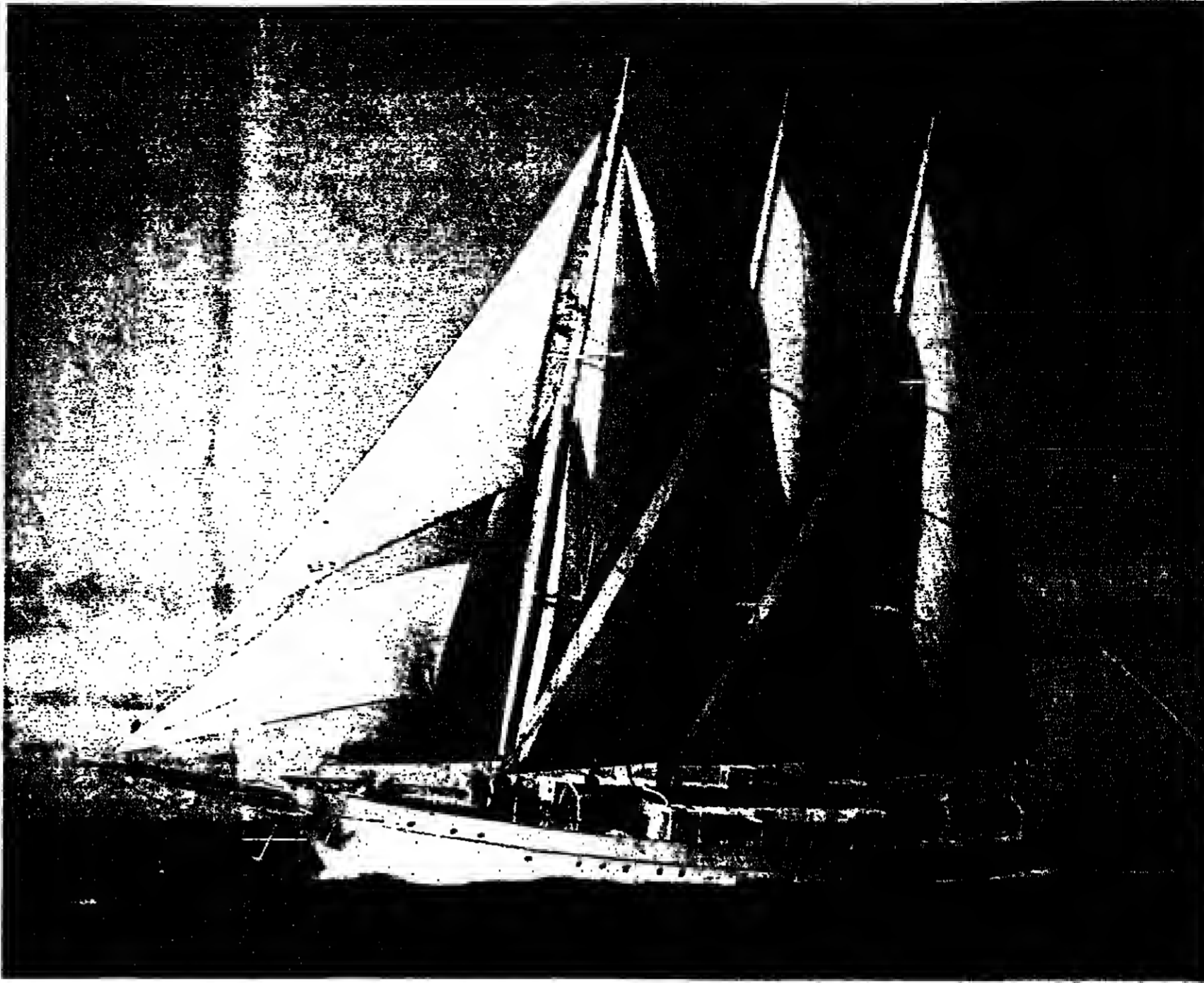
But the three big new power yachts he is introducing will go up to a 62-footer (a very big yacht for a British volume production company) which will cost about £400,000. He also has a full order book for his company's production capacity and expects to export 70 per cent of his production in the coming year.

The British Marine Industries Federation calculates that the British boating industry is now sustaining a healthy positive trade balance of well over £100m a year.

Total export sales of boats are running at more than £180m a year, with two-thirds of sales in the powerboats market. The alliance of British yacht design and reliable diesel engines from international suppliers is proving a worldbeater. In the first six months of this year, total boating industry exports showed a 17 per cent increase over the previous year.

The figures are the latest evidence of a dramatic revival in the fortunes of the British marine industry since the dark days almost 10 years ago when over-extended companies were going broke and the industry was realising, belatedly, that it had failed in many instances to respond to the changing demands of the boat-buying public.

Designers and builders alike are excited (and a trifle surprised) by the sustained strength of the world market for expensive boats at present. Most of them are now pursuing ambitious plans to cater for a buoyant demand well into the 1990s with new designs and novel concepts.



Aquarius, a yacht to treasure... as photographed by Beken of Cowes, Isle of Wight

cruise of the Pacific, including Japan and Hong Kong, where serious buyers will be entertained - and even loaned the vessel for a few days. He would like to accept a cheque for \$100m for her, which would go some way towards paying for the new boat.

The Australian businessman Alan Bond's almost equally luxurious Southern Cross III (171 feet overall length and built in Japan three years ago) is also for sale and will interest those with a more slender purse.

The obvious way for the megarich to get into the rarified world of big yacht ownership and have everything to their entire satisfaction is to order a new boat. But that is not as easy as it sounds.

Ten years ago, there was just a handful of yards in western Europe which could build superyachts. In spite of expansion, there are still only about 16 yards worldwide which the best designers would regard seriously as fit to build their creations.

All told, there are perhaps 30 yards in the world which can build superyachts of more than 100 feet overall length to high standards.

So waiting lists at the best yards are stretching out into the 1990s as prospective owners place their orders. If you want a yacht built quickly these days, you will probably have to turn to an Asian yard. The best builders in Britain, Netherlands, West Germany and Italy have fat order books, some stretching years ahead.

The company (which incorporates the property business Dean and Dytall) sees itself as a waterside developer. Thompson says its strategy is to market a wide range of boat berthing options - from a simple mud berth or swinging mooring, through marina berth rentals and leasing to long-term leases on waterside houses and apartments complete with permanent berths.

Since starting to sell 45-year berth leases a year ago, MDL has sold 79 at Hamble Point Marina, 29 at Port Hamble, 27 at Torquay, and 20 at Mercury Yacht Harbour, Hamble, and Northney, Hayling Island, taking just over 53m from the deals. MDL is spending £2.9m during the winter on marina improvements.

Can it be true that the age-old problem of keeping vessels' bottoms free from barnacles and other marine organisms has been solved at last?

Battelle, an international technology development organisation, is testing a new system at its Florida materials research facility. It is described as an environmentally-safe method of preventing underwater fouling.

The Battelle researchers have developed a polymer made with organic materials which is toxic to marine organisms. The claim is that it does not degrade over time, like anti-fouling paints, and thus should continue to work indefinitely.

The polymer can be applied like a paint or actually built into the material to be protected - such as the glass reinforced plastics of a boat hull.

It could be on the market within three years, Battelle says.

Take it easy - but by the book

I WOULD defend against all-comers the merits of the glorious cruising grounds round the Irish and Scottish coasts - and the east coast of England has a certain charm, although sometimes more said than water, writes Roy Hodson.

But it is a fact that more than 90 per cent of British yachting takes in southern North Sea and Channel waters between Great Yarmouth in the east and the Scillies in the west.

Adlard Coles, a marine publisher, has brought out three volumes of pilot packs covering these southern waters - and I heartily commend them. Together with the necessary passage charts and a nautical almanac, they provide a complete navigation kit for a yacht.

The pilots are ring-backed books, measuring 13 in by 11 in, which can be opened flat at any page on a chart table. Each right-hand page is taken up by a well-drawn, large-scale chart of a port or a coastal area demanding lubricate navigation. The facing page contains comprehensive local data including tidal information in a clear form, navigation warnings and advice as well as details of radio channels and telephone numbers.

The pilots are well-detailed and should enable yachtsmen to venture with confidence into the more remote but delightful creeks, harbours



and anchorages on both the British and French sides of the Channel.

Portland. The Channel Islands. St Vaast to Erguy. Scilly Isles. Le Legue to Ushant. Edited by Brian Goulder and published by Adlard Coles (£35 per volume).

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Yachtsmen on the south coast of England have been startled recently by a concentration of ownership of the available marina berths coupled with a marketing campaign to sell the berths on 45-year leases at prices ranging from £30,000 to £50,000.

Marina Developments (MDL) now owns more than 5,000 berths throughout Britain, including most of the berths round the Hamble and Southampton Water, and 25 per cent of all the berths between Chichester and Poole. It is employing Marina Consult (UK), the British arm of a US company, to act as selling agents.

Feelings are running high among berthholders who claim they are being subjected to pressure to raise a great deal of money and give up their well-established rental arrangements.

Peter Thompson, MDL's development and marketing director, gave me the impression that the company's policy has now been altered and that it is prepared to be much more flexible than the original berth-leasing campaign implied.

"We want to widen the choice for yacht-owners," he said, adding that MDL is considering schemes for variable leasing periods ranging from seven years upwards.

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BOOKS

ONCE AGAIN this year you were invited to enter for one or both of our literary competitions. They were the composition of a sonnet bidding farewell to the 1980s, and the devising of a recipe for a dish named after a celebrity...

Literary competition winners

Anthony Curtis, Literary Editor, gives his report and the results

When in the chronicles of wasted times The 1980s corpse is laid to rest. We'll scatter earth over Ceausescu's crimes And celebrate new links of East with West...

Sing Ho for the years of the grocer's daughter I speak of the one called Margaret Thatcher And not the good man in the country to match her She divided the land and ruled the water...

Let's part on friendly terms at least. Too bad It wasn't love, but just infatuation. A better you go now; I shall be sad. The truth is, you were far above my station. I tried to live up to your glittery spell...

D.A. Prince, Broken House, Crane's Lane, Kingston, Cambs. CB2 2NA. (First prize)

Mrs S.D. Trump, 196 Westminster Crescent, Lodge Moor, Sheffield. S10 4EZ. (Equal second)

Noel Petty, 15 The Avenue, Fairfield, Stockton-on-Tees, Cleveland. TS19 7ET. (Equal second)

Wogan Waffle served up with Heath Hotpot



SEVERAL sonneters were happy to say farewell to the self-denying cult of the 1980s known as nouvelle cuisine. There was no hint of that in M.C. Rosell's entry for the Top Dishes contest, Entrée Sir Anthony Meyer...

Woldheimer Schnitzel... unveiled some time ago at a reunion dinner in Vienna (Mrs T. Hearty, Roskita Ramon) (Alice J. Adams, Mrs Ping Delors ERM Steu (Christopher Blair); Nancy's Fancy (A frothy dessert with an unexpectedly sharp after-taste) (Mrs Olive Howard)...

table Stock or Water; 2 tbsps. Fresh mixed Herbs - chopped; 2 med. Bay Leaves; 6 oz. Thin cut Strips Bacon - chopped; 2 med. Firm/Butter Mushrooms; 1 tsp. Cornflour or Arrowroot; Seasoning; 2 tbsps. Fresh Parsley - chopped.

and stamer gently four 5 minutes. Check seasoning. Remove from heat and add all meats and gently mix. Put aside for 24 hrs so that the meats absorb the flavours and moistness of the stock.

Others like Mrs T. Heard saw the whole decade in more personal terms: "This last decade I could have done without; it aged me thirty years/ From little young woman to old lady stout..."; as too did Ba Miller (born 1/1/1900); "William Keegan the first patered out/ Removing one more driver from the scene/ Where cars in thousands noxious gases spout/ In my dotage I'm becoming green/ Oh Rightest How I hate to say goodbye/ The Berlin wall is crumbling - but so am I..."

Chicken Eduvina (Winifred Roll), Eggs à l'Edouine (Mrs R. Abrahamson) and Eduvina's Curry - "a hot peppery dish usually served with dollops of sauce" (Angela Bright) headed a large sub-section. An even larger one consisted of dishes named after our Prime Minister of which a few choice examples must suffice: Doen Bouillie à la Margareth Thatcher (Mrs Chr. Furness); Thatcher Stink - made with head-on and placid (G.R. Nimmo); Pizz Margaretha - "a doughy firm base of pastry dough, topped with a spicy thatch of blue cheese" (Janet M Baird); Mrs Thatcher's Teatime Treat - "Take a loaf of Lincolnshire Plum Bread..." (Mrs Thatcher's Strawberry Goose - "This goose is cooked alone, and is an utterly British dish with no European overtones."

On the other hand, I liked the thought of Wogan Waffle - "rich and delicious... topped with a merry-making sauce" (Katie Mallett); Dame Edna's Pussan Pudding - "This unusual cheesecake with its crunchy base and sparkling topping will surprise and delight family and friends;" Paloma Picasso Soufflé - "Add the raspberries and fold the soufflé over so the bright lush red fruit spills from the mouth of the soufflé" (Anne E. Lee); Salmon Rushdie - fresh salmon fillets and puff pastry (M.K. Scott); Topsy Cake Kingsley Amis - "soak well in malt whisky and stuff with nuts..." (Felix L. Morrison); Asparagus Salad Iris Murdoch - "Sever the heads from the stalks and arrange in pairs on a soft bed of saffron rice coupled randomly. Gently add the vinaigrette..." (Felicia Pia Moly); but Langues de Ferrogues Julian Barnes - serves 10 x 1/2" (J. Whitman)

Repeat this exercise exactly with the brocc of pheasants, but when cooked leave the tomato and onion stock mixture in the flameproof pan to which add the vegetable stock or water, the duck and two pigeons. Bring to boil and simmer until cooked through. Remove birds to side dish, discard leaf and reserve stock.

Before serving heat the mixture very slowly, check seasoning and thickness, and when piping hot transfer to an elegant tureen. Sprinkle with 2 tbsps. of chopped parsley and serve immediately. Sally Tregowan, Old Hankerschers, Maris Cross, East Sussex, TN3 5BP

Bumper year for literary awards

From the Booker to biography, Lucinda de la Rue sorts out this year's prizewinners

THE NOBEL Prize for Literature (worth \$82,000) was won by the Spanish novelist Camilo José Cela (born 1916) whose most celebrated work The Family of Pascual Duarte (1942) will be published in an English translation by Anthony Kerrigan (Little, Brown, £11.95, paperback \$5.95) available in the UK early in the New Year.

The Booker Prize for fiction (£20,000) was won by Japanese-born writer Kazuo Ishiguro for The Remains of the Day, a novel in which the action is seen through the eyes of a butler (Faber & Faber, £10.99).

The G.P.A. Book Award of £150,000 given by Guinness First Aviation, the Shannon-based short-haul carrier, was won by Colins. The Tom Gellon Award (£500) for a short story was won by Alan Beard with Talking Doreen Out of the Sky which first appeared in the London Magazine.

The Sunday Express Book of the Year Award (£20,000) was won by Rose Tremain for her historical novel, Restoration (Hamish Hamilton, £12.95) which also won the Angel Literary Award (£1,000), for authors from East Anglia, and was on the short list for the Booker Prize. The W.H. Smith Literary Award (£10,000) went to Christopher Hill for The Turbulent, Seditions and Factions People: Bunyan and His Church (Oxford, £7.95).

The 25,000 Peoples Prize for Fiction given by The Glasgow Herald was won by John Mortimer for A Summer's Lease (Viking £11.95/ Penguin, £3.99). The 24th Guardian Fiction Award (£1,000) went to Carol Lake, who wrote a collection of linked stories Rosehill: Portraits from a Midlands City (Bloomsbury £12.95).

Timothy O'Grady is the winner of the £1,000 David Higham Prize for a first work of adult fiction for his novel Motherland (Chatto & Windus, £11.95). The 1989 Geoffrey Faber Memorial Prize (£500), given this year for a volume of prose fiction, was won by David Prothro with Sea Music (Secker & Warburg £10.95, Sceptre £3.99).



Camilo José Cela, winner of this year's Nobel prize for literature

(£1,250 each) by Sybil Bedford, David Harsent, Barry Hines, and Nicholas Wolleston. The winner of the £1,000 Anglo-Hellenic League's Runciman Award was Rowland J. Mainstone for Hagia Sophia: Architecture, Structure and History of Justinian's Great Church (Thames and Hudson, £35.00). This is an annual award for a work of fiction, poetry, drama or non-fiction about Greek culture.

The Whitbread Book of the Year Category winners in the categories of Novel, First Novel, Poetry, Biography and Children's novel were, respectively, Lindsay Clarke for The Changel Wedding (Jonathan Cape, £12.95), James Hamilton-Paton for his first novel Gerontius (Macmillan, £12.95), Michael Donaghy for Shabbeth (Oxford University Press, £5.95), Richard Holmes for Coleridge: Early Years (Hodder & Stoughton, £15.95) and Henry Cecil for Why Wings the Brown? (Walker Books, £7.95). They each received £1,750. On January 24 one of these books will be chosen as The Whitbread Book of the Year. Its author will receive a further £20,250.

The NCR Book Award is a major award specifically for non-fiction given by the computer manufacturing company. The winner was Tompkins and Vold (Jonathan Cape, £10.95) by Joe Simpson, who received £25,000, and the other three short-listed books, whose authors each received £1,500, were Stephen W. Hawking's A Brief History of Time: From the Big Bang to Black Holes (Bantam Press, £1.95), Malcolm Brown and Julia Cave's A Touch of Genius: The Life of T.E. Lawrence (J.M. Dent, £7.95 paperback), and A.N. Wilson's Tolstoy (Hamish Hamilton, £10.95).

Derek Mahon won the 1989 Scott Moncrieff Prize (£1,400) an award for the best translation of a French book into English, with his translation of The Selected Poems of Philippe Jaccottet (Viking Penguin, £12.95). The Schlegel-Teack Prize for the best translation of a German book into English was won jointly (£1,100 each) by Peter Tegel for his translation of The Snake Tree by Uwe Timm (Picador, £11.95) and Quintin Hoare for his translation of

The Town Park and other stories by Hermann Grab (Verso, £10.95). David Luke received the 1989 European Poetry Translation Prize (£500) for his version of Goethe's Faust Part One (Oxford University Press £15.00, paperback £2.95).

The Betty Trask Awards for first novels (published or unpublished) by writers under the age of 35 were won by Nigel Watts (£10,000) with The Life Game (Hodder & Stoughton, £12.95), William Rivers (£5,000) with Watercolour Sky to be published by Hodder & Stoughton; Paul Houghton (£2,000) with Harry's Last Wedding (unpublished typescript) and Alasdair Mackie with Uncle Henry's Last Stand (to be published by Chatto & Windus).

The Eric Gregory Awards for UK poets under 30 were won by Gerard Woodward (£3,000); David Morley (£5,000), Katrina Forster (£10,000) and Paul Henry (£4,000). The Chobsonday Awards for Poetry, endorsed by the Dowager Marchioness of Cholmondeley, were awarded to Peter Didsbury, Douglas Dunn and E.J. Scovell. They each received £2,200.

The Howard Seargent Memorial Award (£1,000) - a new award in memory of the editor of the poetry magazine Outposts given by Marks & Spencer - and Medbh McGuckian the 1988 Cheltenham Prize (£500) for her book of poetry, On Ballycastle Beach (Oxford University Press, £4.95).

A new poetry competition worth £200, sponsored by Sonnet the CND periodical, was won by Ian Duhig for his poem From the Plague Journal (published in Dec/Jan issue of Sonnet). The first annual Abernethy Poetry Festival Prize (£100) for the best first collection of poetry published in Britain was won by John Lucas for his Studying Gross on the Bus (Peterloo Poets, £4.95).

The City of Cardiff International Poetry Competition first prize of £1,000 went to Catherine Fisher for her poem Marginalia; Iona and the second prize (£500) went to Stephen Knight for At the Foot of Division Four.

The TSB Peninsula Prize covering 12 counties of the south west region of England (cash award of £1,500 plus £1,000 advance on royalties) was won by Philip Moyses for his first novel If Greedy Wait...

The Portico Prize (£1,500) is awarded for a book of general interest and literary merit set wholly or mainly in the North West of England. Anthony Burgess won with Any Old Iron (Hutchinson, £12.95).

The Hunter Davies Award (£100) is given for the Lakeland Book of the Year, and this year it was awarded to Eric Wilson for Country Diary (Hodder & Stoughton £10.95) - a collection of regular diary notes written in and around Keswick. Shusha Guppy won the Royal Society of Literature's Winifred Holtby Prize (£750) for the best regional novel of the year with Elland Fold Horse (Heinemann, £10.95, Penguin £4.50).

The £10,000 Fullbright Raymond Chandler prize for spy and detective fiction writing has been awarded to the Indian-born novelist H.S. Shabara, who writes thrillers under the name of A.M. Kabal; Bad Money (Sphere, £2.99) and The Adversary (Sphere, £2.75). The prize includes a year at UCLA as writer-in-residence.

The Smarties Book Prize (£10,000), sponsored by Rowntree Macintosh, a major children's book prize, was won by Michael Rosen and Helen Oxenbury for We're Going on a Bear Hunt (Walker Books, £9.95, £4.00 each), and by Anne Fine for Bill's New Frock (Methuen, £5.95), and Robert Westall for Ellicombe (Macmillan, £5.95). They both received £1,000.

The 1989 Earthworm Award, the UK's "green" literary prize run by Friends of the Earth to encourage publication of books which help children enjoy and care for the earth, was awarded to Judy Allen (£1,000) for her book Awaiting Developments (Julia Macrae, £5.95).

Martin Waddell and Barbara Firth won the Emil/Kurt Mascher Award (£1,000) for their adventure tale of three boys The Park In the Dark (Walker Books, £5.95). The award is given to a children's book for its excellence in matching text and illustration.

The 1989 Mother Goose Award (£1,000) for the most exciting newcomer to children's book illustration was won by Charles Fuge for his book, Bush Vark's First Day Out (Macmillan Children's Books, £6.50); Amanda Harvey won the Macmillan Prize for a Children's Picture Book (£500) for her work A Close Call (Macmillan, £4.95). The award is open

exclusively to art students and aims to introduce fresh, new talent into the world of children's book illustration. The second and third prizes were won by Simon Buckingham and Emma Phillips.

The W.H. Smith Award for illustration (£3,000) was won by Geoff Fisher for a cover design for New Scientist captioned A Better Beast of Burden. The winner of the Sunday Times Small Publisher of the Year Competition (£1,000) was Serpent's Tail.

The Biography Award given by Nelson Hunt and Marisa Lloyd's Book Group (£3,000) was won by David Gilmore for The Last Leopard: Life of Lampedusa (Quartet Books, £15.95) and Margaret Forster won the Royal Society of Literature's W.E. Heinemann Prize (£4,000) for her biography of Elizabeth Barrett Browning (Chatto & Windus £14.95). The Fawcett Book Prize (£500), awarded for "the book which does most to illuminate women's position in society today", was won by Stevie Davies for Boy Blue (The Women's Press, £3.95).

The Science Book Prize (£1,000 each) under the auspices of Copus (the Committee on Public Understanding of Science) encourage authors of popular, non-fiction science and technology books, written in English, were won by Roger Lewin for Bones of Contention (Simon Schuster, £14.95), and David Macaulay and Neil Ardley, joint authors of The Way Things Work (Dorling Kindersley, £15.00).

Better Together (Hodder & Stoughton, £12.95) by David Sheppard and Derek Warlock, won the 1989 Collins Religious Book Award (£2,000). The H.H. Wingate Literary Awards for a fiction work and a non-fiction work which best stimulate awareness of themes of Jewish concern among a wider reading public" (£2,500 each) were won by Ahron Appelfeld for the novel Fare Every Star (Weidenfeld & Nicolson, £11.95) and by Anthony Read and David Fisher for Kristallnacht (Michael Joseph, £16.95).

The William Hill Sports Book of the Year Award was won by Daniel Topolski and Patrick Robinson, joint authors of True Blue (Doubleday, £12.95). They each received £750.

Two new awards to be made next year announced by the Society of Authors are the Frevo Prize (£7,500) for second novels and the McKitterick Prize (£5,000) for first novels by writers over 40.

For further information about literary awards in the UK there is A Guide to Literary Prizes, Grants and Awards available from the Book Trust, Book House, 45 East Hill, London SW18 2JZ (£3.25, post free).

WEEKEND FT TRAVEL BROCHURE GUIDE

TRAVEL

Civilised suggestions...

I HAVE visited many places. Many more have never heard of me. As a result, one of the greatest pleasures I get from travel - it can't be airports, or flying, or injections, or the food you get in America, or hotels that sabotage your bill with sneaky surcharges - is visiting new places. Not unfinished places, like the Algarve, which should be able to stage its grand opening by the time man colonises the moon, but ones that are ready for business.

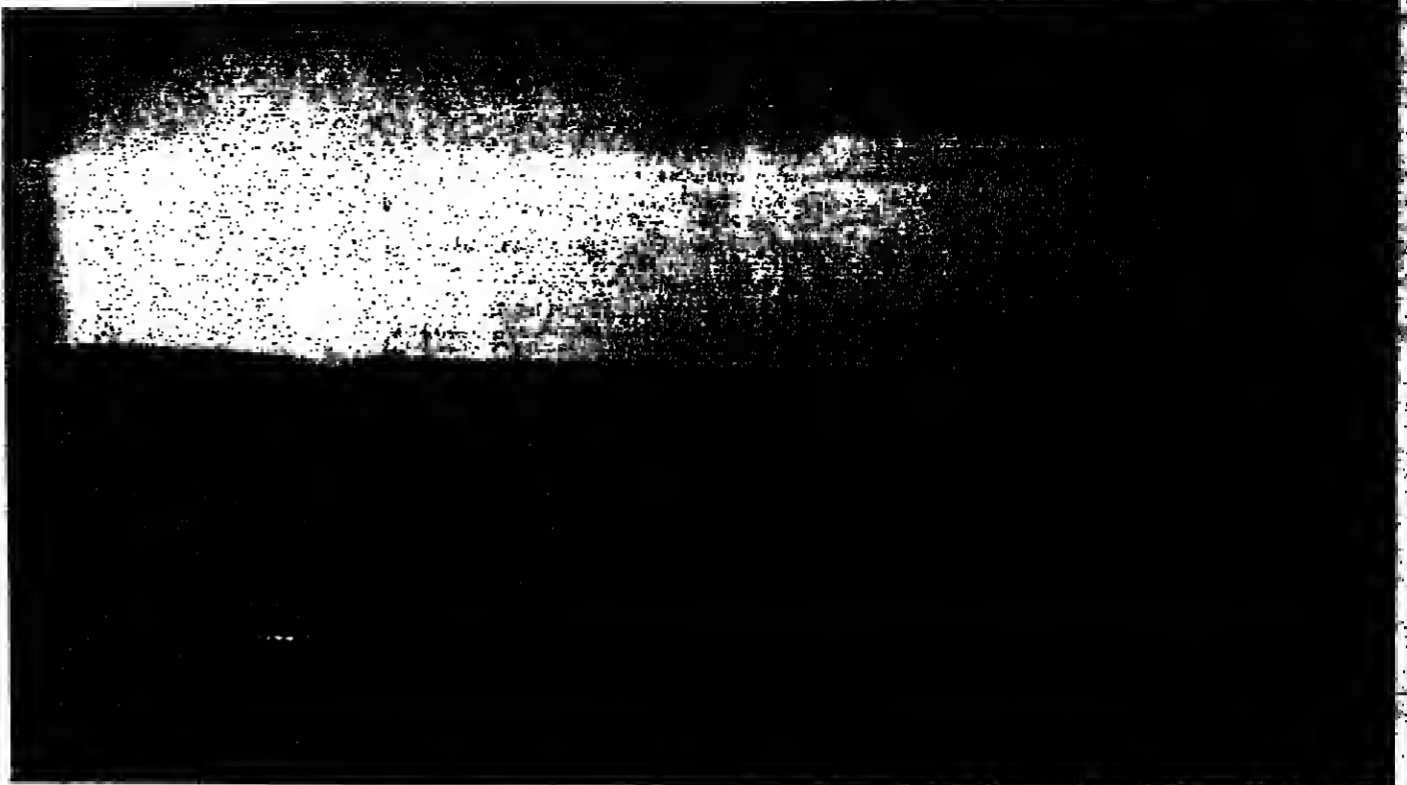
What I have done is rifle through a large armful of up-market brochures in search of new places and ideas - new to me, that is, if not particularly to you. I was not looking for cut-price travel, or for thrills cheap and nasty, so most of these holidays are expensive. The selections are not meant to be comprehensive (there are many more where they came from - ask a good travel agent).

And they are certainly not meant to pander to the dreadful hearties: there is a marked absence of walking, trekking or rock-climbing holidays, let alone cycling opportunities in Nepal or camping mini-breaks in Jamaica.

They are primarily aimed at people who are civilised, witty, fond of Rakhmaninov and in love with islands - just like me. If you drive a Rover, or any other English make of car, you will be even closer to the centre of the target audience. In short, these are some of the holiday offerings for 1990 that somehow catch my fancy.

I am not gregarious enough to be a typical Club Med type but I like the sound of *Club Med 1*, a wind-powered ocean liner which cost £50m and marks the debut in the cruise market of this well-known organisation (about to celebrate its 40th birthday). The vessel is described as "the largest sailing ship ever to exist" - a five-masted, 10,000 ton vessel with 2,800 square metres of sail and seven decks ("built of Burmese teak") which will carry up to 425 passengers, 63 guests' organisations (guests' hosts), 90 service staff and 32 seamen.

Built in Le Havre, *Club Med 1* is due to make her maiden voyage across the Atlantic next month. The inaugural cruise, starting at Pointe-a-Pitre in Guadeloupe, takes place in February 1990. In winter, Club Med 1 will operate in the Caribbean; in summer, in the Med. Prices vary, but the cost of a two-berth cabin (not including flights) for the Caribbean seven-day-seven-night cruise will be £1,294-£1,563 per person. Single cabins: £2,022-£2,501. Suites up to £1,578 per person. The UK brochure will be available from Jan 19 (tel: 0635-38450; reservations: tel: 581-1161). Club Med's general brochure for 1990 features 78 holiday villages worldwide, with 54 resorts served directly from London and 11 new services on offer from Manchester.



Fishermen of Madagascar. In the 1990s, the emphasis is expected to be on exotic, adventurous and expensive travel.

If you are really into up-market cruising then the Seabourn Pride and Seabourn Spirit, operated by the San Francisco-based Seabourn Cruise Line, might fit the bill. What Seabourn says it offers is "more ship for fewer people" - full-size vessels that carry 212 passengers against 400 for similar-sized ones. There is a full 1990 programme of Caribbean and Med cruises. Prices are distinctly unbeatable but all gratuities are included in the fare, and Seabourn says it provides trip cancellation, trip interrup-

tion, baggage and travel delay insurance at no additional cost. Seabourn Cruise Line, 55 Francisco St, San Francisco, CA 94133. Tel: (415) 391-7444. Tel (London): 01-525-1336.

Some of the most exotic cruises are those organised by Society Expeditions, which has two specially-designed five-star expedition ships, the 100-passenger *Society Explorer* and the

140-passenger *World Discoverer*. I haven't been on them, but they are said to feature "gourmet cuisine." Each ship carries "Zodiacs" - small inflatable landing craft that allow passengers to reach hard-to-get-at spots. Itineraries include Antarctica and the Falklands, the Canadian Arctic, and Polynesia and Micronesia. Expeditions last from 15 to 30 days with prices from about £3,000 per person for double occu-

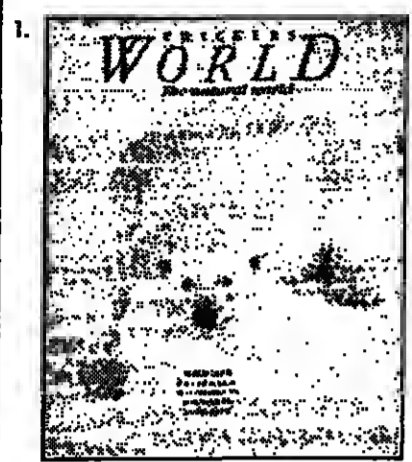
pancy, inclusive of air travel from London. Information and bookings: tel: 01-537-9951. A brochure that gives me much pleasure is *Elegant Resorts of the South Pacific*, put out by a company called *Elegant Resorts Australia*, that covers the pick of up-market locations in Australia, Tahiti, the Cook Islands, Fiji, Hawaii and the South Pacific gener-

ally. For £3,395 (Feb 1-March 30 1990) you can circle the globe: London, Singapore (three nights), Sydney (three), Christchurch (two), Auckland (three), Fiji (four), Rarotonga (three), Tahiti (three), Los Angeles (two), Orlando (four), London. You stay in excellent hotels. Single, first class, business and Concorde supplements available on request. There is a flight supplement of £30 from Manchester which

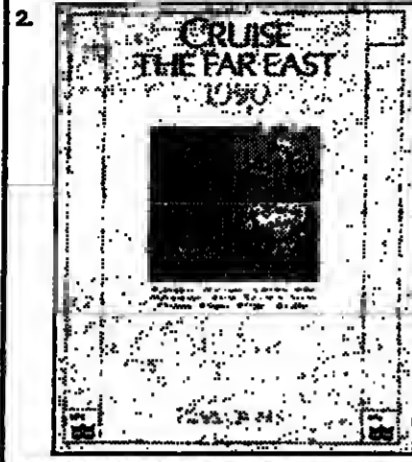
sounds mean to me, so make them an offer. Tel: 0844-526280. Also available: *Elegant Resorts of the Caribbean*, tel: 0844-526971. Equally glamorous is the *Islands Alternatives* brochure put together by travel expert David Butler for Alternatives, a member of the Blackon Group. The brochure includes Barbados (don't stay at Sam Lord's Castle; you might not like it), Nevis, St Kitts, St Lucia, Bermuda, Mauritius, Bangkok, Bali and two of the best Great Barrier retreats off Australia, Bedarra and Lizard. Brochure: tel: 01-760-2889. I also like the look of the *Tradewinds Asean* brochure, covering touring holidays in the six countries of the region: Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. All travel is by scheduled airline. Tradewinds and David Warner says: "We have experienced our biggest growth in the Far East over the last three years, and I foresee a similar pattern over the next few years. For value and variety it is unbeatable."

Continued on next page.

This page: Michael Thompson-Noel daydreams about *The Great Escape*.
Opposite page: Three FT writers explain their travel choices



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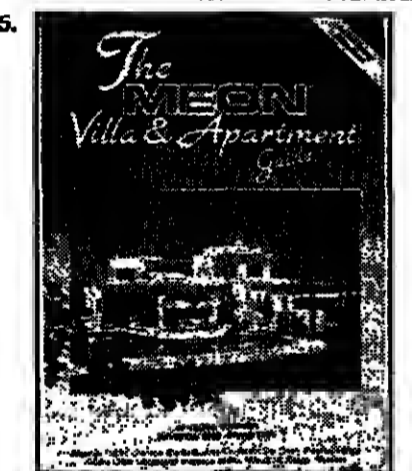
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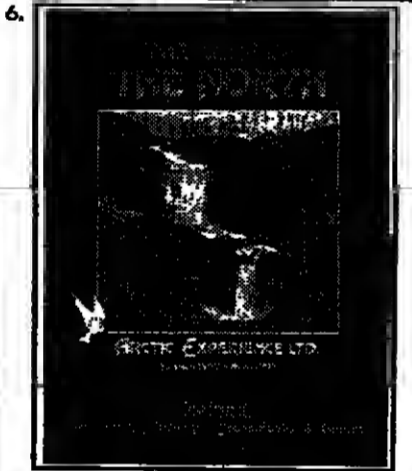
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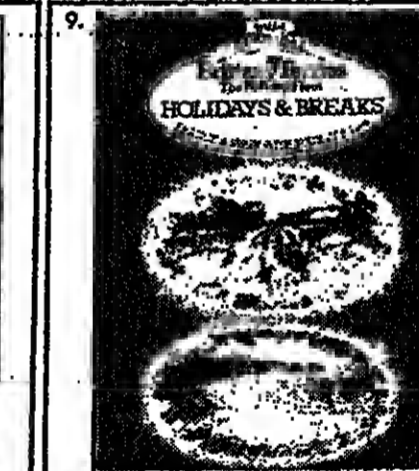
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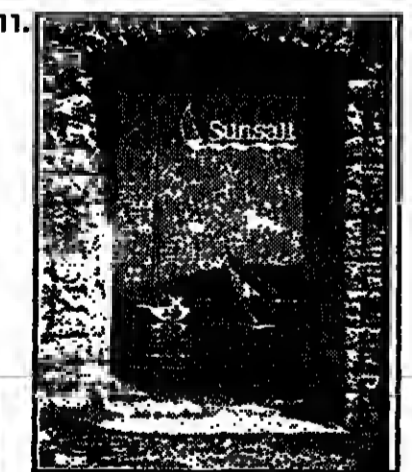
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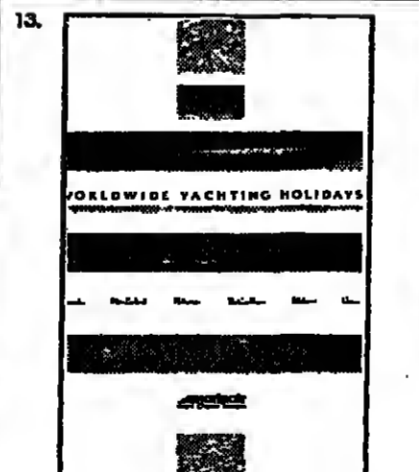
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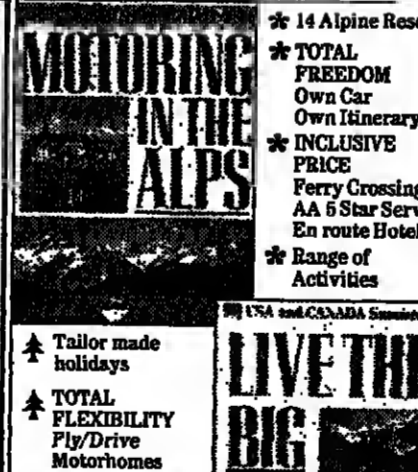
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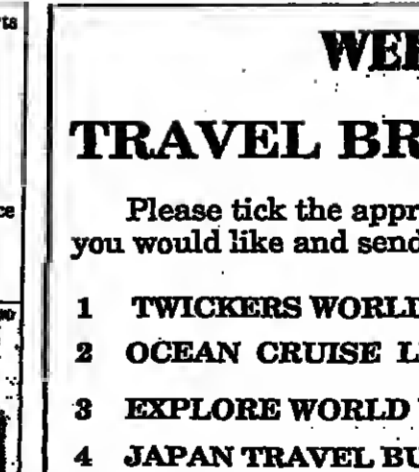
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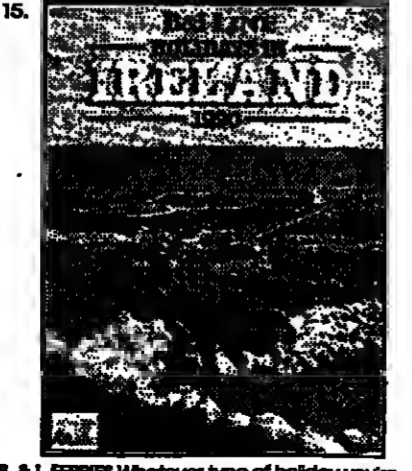
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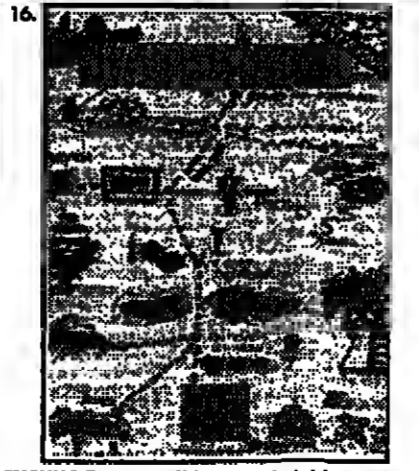
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TRAVEL

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Continued from previous page

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Canada needs all the tourists it can get, and offers splendid scope for travel. A useful brochure of activity holidays is that of Accessible Isolation Holidays...

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Two years ago I had an excellent week's break in a villa on Ibiza, the trip being organised by Moon Travel.

Two years ago I had an excellent week's break in a villa on Ibiza, the trip being organised by Moon Travel.

Into Africa

SOMETIMES infuriating, always memorable, Africa will us to return. I am not thinking of the tourist beaches of Zanzibar...

I can see us now, lying silent on our backs, bare-bottomed in hand, in the warm dust next to some sluggish brown river.

Instead, we are part of that brief but incomparable tropical moment between day and night. Hippos splash and grunt below, preparing for their night of gluttony on land.

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Best foot forward: sights like this encourage a return to Africa

Ceps, truffles and Medoc

IT IS November 1. All Saints Day, and at Vencac - deep in the Haut Medoc - the village's 14 licensed hunters are out in force...

TRAVEL IS one thing, holidays are another. The further people go and the stranger the countries they visit, the more they are packaged and billed...

Haut Medoc supermarkets discount their vintage claret. They do not, however, discount their mushrooms, truffles or foie gras.

It is a place where sailing boats drift like swans round islands carved into elephants of stone. On one bank the desert is red, on the other a vivid yellow.

Ingredients of haute cuisine for granted. They grow or shoot them. Which brings us back to that doe. Yes, they shot her. Yes, we have an undeveloped shot of the two of us grinning through the rain over her corpse.

My only regrets would be the music, food and wine. But there's plenty of that at home. You can't have everything - only nearly everything.

Torpor and romance

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Not as mad as it sounds

Tim Burt visits Loon, a US resort geared to the family

RIDING THE gondola to the top of Loon Mountain, one of the Americans recalled: "Sure, I was in London. Somewhere on the Northern Line - give me some stations."

More than 1,000 ft later, at the precipice of the Flying Fox ski run, he was still unsatisfied: "Tooting? No, not there, Clapham North? Nope."

Loon is an exception. It responded to the boom in weekend skiers driving up from Boston and New York with a new hotel at the foot of its Lower Claw trail and a village of condominiums.

Skiing

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ARTS

The handwagon rolls on, and on, and on. It now seems almost foolhardy to suggest that the two dominating auction houses must be heading for a fall as they clock up record after record: their success is breathtaking. In the autumn season Sotheby's just about doubled its sales (the actual increase was 99 per cent) to \$397.5m, compared with the same months of 1988, while Christie's turnover jumped 70 per cent to \$275m.

If you quote the figures in dollars (which is more sensible now that New York has outstripped London as the major art market, and, in the sectors that really matter - Impressionist and 20th century art - everyone works in dollars anyway) the increases are still formidable. With Sotheby's up 72 per cent, at \$1.5bn, and Christie's 49 per cent higher at just over \$1bn. In the whole of 1989 Sotheby's turnover was \$2.9bn, while Christie's broke the \$2bn barrier.

There is something distasteful in discussing art solely in terms of money but that is the current way of the art world. You cannot pick up a Sotheby's catalogue without a brochure falling out, promoting the financial services it offers to both buyers and sellers. Buyers, or rather rich, liquid, buyers with sizeable, sensible assets, are encouraged to collect art with loans. The Australian businessman Alan Bond, for example, only had to pay half the \$83.9m price of Van Gogh's "Irises" when he bought it; the rest was payable over five years. As Bond's financial empire crumbled Sotheby's faced a potential disaster - requesting "Irises" and selling it again, might have secured the debt but a certain fall in its price would have sent shock waves through the market. Fortunately Alan Bond had another important painting in his collection, "La Promenade" by Manet, which he sold in New York in November for \$14.9m, enabling him to pay off his debt.

Such ebanisms have attracted dubious publicity in recent months, especially to Sotheby's, which has taken financial services much further than Christie's. Having fixed Alan Bond up with his loan, Sotheby's had a good idea how much he was prepared to go up to when bidding for "Irises" and such knowledge might well have affected the reserve price. The dilemma as to whether the auction houses are working for the vendor or the buyer gets more and more poignant. This is especially true when Sotheby's offers a guaranteed return on works of art before it sells them. It did this to secure the Durrance collection, sold in New York in October. The heirs of the Campbell Soup tycoon were given \$110m. In the event the auction brought in just over \$130m, not a comfortable margin for Sotheby's.

At its main Impressionist and Modern art auction in New York in November eight of the 75 lots carried the full sale asterisk which indicates that Sotheby's had a financial interest in the picture, either owning it or having guaranteed the vendor a price. This plethora of services - loans to potential buyers; advances to sellers; guarantees; a willingness to lend cash with works of art as collateral - account for less than \$200m of Sotheby's turnover, but they muddy the waters. They confirm the view that art should be viewed as an investment, rather than a thing of beauty.

This is the most powerful feature of recent months, linked, as it inevitably is, to the sustained demand for the best Impressionist and modern works of art, which have become an internationally traded commodity market. While profiting by the exceptional prices, Sotheby's and Christie's must be concerned over a decline in their revenues now comes from disposing of pictures and sculpture created over



Pablo Picasso's 1905 gouache of The Death of Harlequin

Saleroom

Making money is still a fine art

Antony Thorncroft assesses the fortunes of a booming market

the last century, mainly in France and the US. Big Japanese buyers, like Yasumichi Morishita (who has bought a six per cent stake in Christie's), make no bones of the fact that they are acquiring art to lay down as an investment. Morishita was a big buyer in the major sales, acquiring Picasso's "Maternité" for \$7.15m and Gauguin's "Petit Breton à l'Oie" for \$4.4m in London, and spending over \$50m at the main sale in New York, showing a penchant for Renoir.

But although Japanese bidding was heavy and steady for the Impressionists and Moderns, the break down shows that collectively they accounted for around a third of the major lots. European buying was almost double that, while the Americans were reduced to bit players (although they did manage to pay the top price of the autumn season at both Sotheby's and Christie's - Mr Walter Annenberg taking Picasso's "An Lutin Agile" for \$40.7m at Sotheby's, and the Getty Museum paying \$26.4m for a Manet street scene at Christie's).

The main competitors to the likes of Mr Morishita are the Nelmad Brothers, buying for Swiss investment interests, who took 17 of the 78 lots at Sotheby's in London auction, and the Swedish dealer Bo Averdys who also buys for a Swiss based consortium of businessmen. He concentrates on contemporary art, the sector which in terms of price inflation, has outshone the Impressionists and Moderns in the past eight weeks.

One can just about understand the prices paid for good works by Renoir, Manet and Gauguin whose art historical reputations are secure, but what

can be made of the \$20.65m paid, by a Japanese dealer, for a De Kooning (a record for a living artist), or the \$5.6m for a Frank Stella, the \$8.72m for a Francis Bacon, the \$5.5m for a Roy Lichtenstein. At Sotheby's, New York, 19 of the 74 lots in the big contemporary auction topped \$1m and at Christie's 13 out of 101. With the Americans



The Dancing Faun, a unique bronze by Adrien de Vries

batting to retain their culture against the raids of Japanese and Swedes record prices were inevitable, even though some of the artists involved might be just passing fancies.

Ignoring the insubstantial fashion base which fuels the demand for contemporary art, the dependence of Sotheby's and Christie's on Impressionist and early 20th century art is best summed up in the fact that Sotheby's made almost 20 per cent of its autumn turnover from less than two hours hard selling by auctioneer John Mariou at the main New York session on November 15, while the previous night Christopher Burge had achieved over 20 per cent of Christie's sales. While the world economy booms, the global spread of demand should keep the records coming, but it was obvious this autumn that the really big players among the bidders are few in number and are now more selective.

Fortunately the Japanese are widening their collecting interest although, once again, the demand comes from a handful of enthusiasts. For example, there is one Japanese collector of the Old Master, Murillo; another is keen on the Pre-Raphaelites, and so on. If their tastes change, these markets could weaken suddenly. The autumn did confirm that Old Masters are finally regaining some of their natural price importance but they still remain cheap - Sotheby's record for Rubens this month was just \$3.3m. Still, perhaps it would be better if Old Masters miss out as an investment market and remain within the buying scope of rich connoisseurs and American museums.

A recurring feature of the autumn was the high prices paid for Old Mas-

ter sculptures, with a Giambologna bronze making \$2.75m and a dancing faun by de Vries \$5.82m: these were quality works, the latter a discovery, which excited the interest of refined taste. There was the usual galaxy of amazing prices - the record \$3.7m for a Tang horse; the \$2.1m for Shakespeare's first four folios; \$1.76m for an art nouveau lamp; a silver record of \$1.54m for a pair of George II candelabra; the \$522,000 paid for a Navajo Indian blanket - but over all broadened the Impressionists and Moderns.

And 1992. No one really knows what will happen to the European art market after the elimination of national barriers, but one development has begun - the re-emergence of Paris as an important centre. After years of neglect by the French Government there are attempts to make buying and selling in Paris reasonably easy, and a quick success came in late November when an early Picasso, "Les noces de Pierrette" sold, to Japan, for FF315m, just failing to become the most expensive work of art sold at auction. Sotheby's and Christie's are beefing up their representation in Paris but they can expect tough competition from a few invigorated French auctioneers, now backed by their Government.

A strange dichotomy has developed in the auction world as the "art as an investment" policy of Sotheby's steamrollers the traditional, superficially scholarly, trade in antiques. Many departments at Sotheby's and Christie's must wonder about their future as their annual turnovers become a fraction of the return from a major Impressionist sale. But the most important philatelic items, an envelope with two Mauritius penny stamps, which had been expected to make \$1m.

When it comes to the run-of-the-mill auctions the situation is quite different from the multi-million dollar bids in the glamour of a New York evening sale. In the UK at least the antique trade is in a brittle shape. This is best illustrated in the 1989 turnover of Phillips, inevitably a record at \$108.6m, but only registering a 14 per cent rise in turnover in a year in which Phillips acquired a chain of almost twenty provincial auction houses, briefly owned by the Prudential. Phillips is the wholesaler for dealers, as well as a dominating force in collections and its modest growth in sales suggests that the corner antique shop is suffering the knock-on effect from high mortgage rates and the freeze on house removals.

However, the smaller auction houses received an early Christmas present from the Law Lords when, on appeal, the case of Luxmoore-May versus Messenger May Beverstock went in favour of the Guildford auction house. The Law Lords decided that an auction house, or at least a provincial one, should not be expected correctly to identify all objects brought to it for sale. The case involved a couple of "Stubs" which Messengers had failed to spot. If it had gone against the auction house every small saleroom would have been forced to bring out virtually meaningless catalogues to avoid making public errors or take out prohibitively expensive insurance. Intriguingly Lord Justice Slade suggested that if Sotheby's, Christie's or Phillips had missed the "sleeper" they, as specialists rather than as the country GP (as the judge characterised Messengers), would have been held responsible. So the year ended with a rare victory for the small auction houses and a potential headache for the flushed giants of the business.

Bernini or bust

TWO EARLY January sales in New York provide interesting variations on the theme of "Art as Investment." The British Hall Pension Fund will continue its dispersal (this time through Sotheby's) of art works in which it invested during the Roman baroque sculptor, Gianlorenzo Bernini, purchased in fairly speculative circumstances in 1981 by a Toronto couple, Joey and Tony Tanenbaum, will be sold by Christie's.

The story of the Bernini in the snuff of which dreams are made, or at least Christie's is hoping that it is. It last auctioned 11 years ago for \$24: this time round Christie's expect it to fetch \$7m. That makes the annual return of about 7 per cent (after adjustment for inflation). The bust in white marble is a portrait of Pope Gregory XV. It was bought in Rome in the 19th century by the 5th Earl of Lansdowne and it remained at Swittham Hall, Leicestershire, until sold by Lord Lansdowne at Christie's, South Kensington, in 1978.

When its new owner, Nicholas Meinerzhagen, discovered that there was a lost bust by Bernini of Pope Gregory XV, he set out to establish that his bust was the one he was, after all, partly made of a rare polychrome marble and the lost original was known to have had a base of "mottled stone." When Meinerzhagen sold the bust at Sotheby's in December 1986 it fetched \$120,000 - a price which suggested that he had not been entirely successful in having the sculpture accepted as an autograph Bernini. But by the time its next owner, the dealer Norman Lettman, sold the sculpture to the Tanenbaums in 1983 it had been exhibited at Fort Worth as a Bernini and its (undisclosed) price reflected its enhanced status.

Next came the sculpture's export from Britain. This was the subject of a hearing before the Reviewing Committee on the Export of Works of Art in 1983. In spite of the objections, it was cleared for export and the Tanenbaums delightedly brought it home to Toronto. It was a pity though that the Reviewing Committee, in recommending that the bust should be granted an export licence, wrote in its report that its recommendation "should not be taken to mean that we discounted the possibility that the bust was by Bernini." It was a pity too that, in his evidence before the committee, the collector of the V&A seems to have shied away from actually saying that the bust was by Bernini. And the greatest pity of all is that, although Bernini scholar Professor Irving Lavin told the committee that it was one of the most perfect and important of Bernini's early works and stated that he would discuss it in a forthcoming study, he has never really done so.

None of this means, of course, that the bust is not by Bernini. Christie's believes it is and expects a Bernini price. The sale is a fascinating one and its outcome will be watched with great interest. With the British Hall Pension Fund sale, it is old master drawings that are on offer. Specifically, Italian High Renaissance drawings a number of which are by Taddeo or Federico Zuccaro. It is by now well-known that the pension fund has had very mixed returns on its art portfolio. Some areas have been a success, others little short of a disaster and one area of the "collection" which performed particularly badly was Old Master Prints: they were auctioned in 1987 with lacklustre results so that when it came to disposing of the modern print collection, the fund opted for a private treaty sale.

A similar option was considered for the Old Master drawings: at least one New York dealer was approached with a view to his buying all the drawings; and the Art Institute of Chicago has recently announced that it has purchased 19 major drawings from the fund by private treaty. But somehow Sotheby's (which advised the Pension Fund over many of its purchases) has stepped in and will sell what is known as "the Zuccaro drawings." The auction will be in New York in January.

The Zuccaro drawings come from a single album into which they were inserted in the middle of the 19th century by the London art dealer Samuel Woodburn who then owned them. They had been part of the remarkable collection belonging to the portrait painter, Sir Thomas Lawrence, whose collection was sold to Woodburn after he died in debt in 1835. Woodburn sold the drawings in 1859 through a series of exhibitions; but 80 drawings by two Zuccaros did not find a purchaser at £400. Eventually 73 of the drawings were sold at Christie's in 1960 for \$83. It is largely these drawings which are now on offer.

Twenty of the drawings found a willing buyer by Federico Zuccaro depicting the early life of his brother Taddeo. With a novel approach they will be auctioned first as a single lot (estimate \$2.5m-\$2.7m), if they fail to sell they will immediately be re-auctioned as single lots with estimates varying between \$2,500 and \$40,000. While some collectors believe that all these drawings were by either of the two Zuccaros, in 1970 John Gere distinguished the several artists whose drawings are included in the collection. Twelve are by Taddeo; a further 16, additional to those forming the series, are by Federico, and the remainder are by their contemporaries.

Homai Potterton

Radio Adventure for all-comers

Christmas turned out a treasury of great stories of all kinds and all lengths. On Christmas Day we had no less than Peer Gynt on Radio 3, a revival of the 1943 recording with Ralph Richardson as Peer and a lot of the Grieg music. On Boxing Day there was E.L. Stevenson's Treasure Island, presented as an afternoon play, with Peter Jeffrey as Long John Silver. (There was, in fact, an adventure play every afternoon of the week on Radio 4) suppose you might say that Browning's The Ring and the Book was an adventure story too, but I'll deal with that separately. So on to Rebecca on Wednesday, and an interview the previous day with its author, Daphne du Maurier. There are others besides to fill the other afternoons, and I won't pretend that I heard all of them, or even heard all of those I heard: Christmas is a busy period.

The two items that suggested a special Christmas to me both happened to be on Radio 3 - a little series of readings by John Gielgud, and the first in a series of The Ring and the Book on Boxing Day. For me, the sound of Gielgud's voice is a feast in itself; the choice of these anecdotes by E.F. Benson, light-hearted reminiscences that never sound serious even when they trip over serious matters, was ideal. Browning's poem is ably read by Martin Goring, Robert Rietty, Patricia Gallimore and John Westbrook.

And how did I rate the time between last Christmas and this?

Well, the best thing in BBC radio for the past year has been the new layout of the Radio Times which has also been generous with sociologi-

cal work, with campaigns, brief and vivid, about sex, education, housing, AIDS, unadvised petrol and so on. Next week they will expand their news coverage in the evenings, when Newbeat at 5.30pm gives you a half-hour News.

No such surprises were offered on Radio 2, but they had a surprise of their own that I approved wholeheartedly, the broadcast of virtually the whole of the Gilbert and Sullivan oeuvre. Such elegant tunes and light-hearted comedy must surely be an ideal recipe for this nostalgic programme. Radio 2 had a sociological trip too, with Health-check. I wonder if Adrian Love is still a non-smoker.

Drama has been well served on Radio 3 and 4 and the World Service, not always readily. We had six plays by Brian Friel in the spring, as if he had just reached some anniversary. The bicentenary of the French Revolution was generously marked by Radio 3 in the summer, with Poor Bivou, the Marat/Sade, Danton's Trial and a version of Figaro called One Mad Day, besides programmes on revolutionary music and architecture. Radio 4 gave us Shadow of the Axe about Fonguier-Tinville, the inevitable Tale of Two Cities (currently being repeated on Friday afternoons), and the World Service had a series, Harrah for Revolution! Last week, we had Robespierre, released from his disguise as Bites, in Paradise. Our own Glorious Revolution got one rather modest play.

Our own war, which began just half a century ago, was remembered mainly in a six-part The Road to War on Radio 4, and by Michael Aspel being evacuated as a boy; also by a series by Martin Gilbert, Char-

chill at War, on the World Service. Connoisseurs of Prime Ministers were also regaled with The Thatcher Decade.

The 40th anniversary of the Chinese revolution also got a six-part feature, the excellent The Chinese People Stand Up, that was slightly upset by the events in Tiananmen Square, making necessary some fresh material at the end. A similar fate beached the new weekly Europe-gossip, Europhile. Europe changed almost from day to day. I was mentioning the drama when I was led astray into revolution. Radio 4 and the World Service collaborated into a fine display of world drama in Globe Theatre, a series of plays, by Havel, Richard Nelson, Lissa, Louis Nowra, Peter Shaffer. Elsewhere, I much enjoyed Truckin' Maggie, about touring Magna Carta, not the Prime Minister, and The Unmade Invention, about the bicycle, not the H Bomb. I can't overlook Body and Soul, about the person who changed sex.

Of the innumerable serials, I was much taken with After Henry and the political soap, The House. The Friday serial of The Brothers Karamazov was great.

I much enjoyed the Tuesday debates on Radio 4 in the spring, and the From Interval talks. I approve the continuingly interesting and sympathetic Desert Island Discs, including Lady Moseley, though I can't forgive Nigel Lawson for calling Schubert a second-rater. I sometimes wonder to introduce a critical note in the last sentence of my year's survey, how many children will give up a single note of the Top 40 to hear the amiable Cat's Whiskers, at a competitive time.

B.A. Young

SLIDING AROUND on split beer at the Town and Country, waiting a while for the taxi to reach the stage of the Mean Fiddler, trekking through the Isle of Dogs hoping to catch a glimpse of the fabled London Arena, fighting for air at the Brixton Academy, stranded for hours in the Wembley car park - the task of a pop reviewer lacks the refinements enjoyed by colleagues on the Wigmore Hall and Covent Garden beats.

Does it have compensatory thrills? No-one can pretend that 1989 was a good vintage. The top American names failed to make it to the land of the declining pound, although some of the "penetration" tours by re-formed grizzled rockers, notably that of the Rolling Stones, should be sighted here in 1990. Prince, the natural successor to Michael Jackson, could finally arrive in the summer, and a final "penetration" tour to conjure up the Sex Pistols, or rather the remnants of them. But that is in the uncertain future: what of the buried past?

The feature of the year, in London, at least, has been a welcome upsurge in new venues, ending a small national scandal. The London Arena was a bitter disappointment, a metal shoe box tantalisingly sited in Docklands alongside a station that closed mid-evening, but it had an invigorating impact on the Wembley Arena, which has improved out of recognition, and although at the end of a long, long trail, now seems almost welcoming.

Among the smaller clubs the Borderline is attractively intimate, although its restriction on numbers demands that the audience for any major act must gather hours in advance. Fortunately Deborah Harry, who used it to show the world she was no longer a Blondie, made the wait worthwhile with a performance of aloof detachment which was quite riveting and proved that Harry, so long dismissed as a pretty promotional face, was a '70s pioneer

Popular Music More fizzle than pop Antony Thorncroft finds the sparkle in a non-vintage year

of both new wave and rap. Ms Harry was quickly able to fill the Town & Country, which along with the Hammerstein Odeon, (now acquiring the characteristics of a comfortable, warm, if slightly disgusting, old slipper) remains the most sympathetically relaxing environment for pop music. I particularly enjoyed the B-Ses there.

Neil Young brought out the best in the Odeon, pervasively appearing one night only but to a packed crowd of devoted fans. He proved that a one-man-band could fill the vast space if he had wit, conviction,



Tanita Tikaram: too remote

a little amplification and a repertoire of songs stretching back over 20 years and covering every fashion, from hippie escapism to political commitment. It was the best rock concert of the year, at least by anyone over 40.

In contrast another old misfit who came again, Lou Reed, was badly served by the Palladium, which took the edge off his cynical escapism. Even so he has the makings of an effective cabaret act in his persona of the surprise survivor of the meanest streets. In the same venue Elvis Costello finally converted me to the consensus that he is a genius while leaving intact my conviction that he needs radical editing: the gap between being idiosyncratic and self-indulgent is narrow.

Other highlights were Elton John at Wembley, where he looked slightly sad and despatched his heart one minute and then beat it the next with such affirmations of survival as "I'm still standing," and Van Morrison at the Albert Hall. Morrison is getting more and more unpredictable but his voice is as sweet and powerful as a barley wine, and he has moved imperceptibly from being a rock singer into Ireland's contribution to world music, so ethnic is he not.

Among the girl singers Tanita Tikaram was too remote on stage, leaving you wondering whether it was worth the bother to sink into her young

girl illusions; Nanci Griffith was the purest of Texan country, but spoiled the welcome by mouthing an about a bad review she'd received. Emmylou Harris showed how to do it, a cowgirl to the tops of her boots and still with the most spine-tingling of voices.

Among the first of the reformed bands to reach the UK were the Monkees, who were so high spirited that they ended up being very silly indeed, and the Who. Their Birmingham concert exceeded expectations. The band worked their socks off and although the show only confirmed that their material is not a patch on that of the Rolling Stones they offered solid entertainment. Pink Floyd never seem to go away. Their pomp rock is now revived by the critics but the fans stay loyal and one day the music could return to fashion as an eccentric cult.

A pleasant surprise was the Pet Shop Boys, who were perhaps lured into live appearances against their better judgment but who produced an succession of progressively wadder video illusions at their Wembley spectacular. Transvision Vamp was another act to change opinions. They may be just a vehicle for Wendy James but proved a vehicle with fine lines and surprising power.

The best evening of the year came from Randy Newman. One wonders why one bothers to go to another Newman concert: they never change. This small man, the big spectacles, winging out the heart one minute and then beat it the next with such affirmations of survival as "I'm still standing," and Van Morrison at the Albert Hall. Morrison is getting more and more unpredictable but his voice is as sweet and powerful as a barley wine, and he has moved imperceptibly from being a rock singer into Ireland's contribution to world music, so ethnic is he not.

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ARTS

A bang or a whimper of a decade?

Christopher Dunkley

How unsurprising that A.N. Wilson (Harold's elder sister?) should find no memorable cultural or artistic phenomena from the 1980s when she insists upon limiting herself to pre-20th century forms of expression. Of course the 1980s will not be remembered for paintings, sculptures, operas, symphonies or poems. Why should they be? They will be remembered for *The Singing Detective*, *Edge of Darkness* and *Heimat*. Also for something called *Brideshead Revisited* which dear old A.N. Wilson probably imagines is an important novel but Catholicism, familiar to a little group of literary aesthetes. No doubt there were Elizabethan commentators who regarded *Heimat* as an important story by Balzac. In the 1980s *Brideshead* became a powerful cultural experience for millions of "viewers." These are people who watch something called "television." The roots of the work are in both Greek and Latin, and perhaps Wilson should borrow one from the anpsir.

Anthony Curtis

A.N. Wilson doesn't include the novel. I wonder why? He does say poetry. Well, no-one has come up with a rival to *The Waste Land* or *Easter 1916* in the 1980s, that's for sure; but we do have poets like Heaney, Fenton, Moton, Morrison, Porter, Tomlinson, and dozens of others, responding to contemporary life in their work in volumes of poetry, appearing regularly from publishers big and small, that makes me think that what Eliot called "the tradition" is alive and well, is indeed flourishing. Poets nowadays have a sense of history, recent history, that makes poetry much more relevant to our global sense of suffering than it used to be.

Max Loppert

People who make statements of the "there have been no good new operas/symphonies

I can think of 30 memorable paintings, sculpture, opera, symphony or poem which the ten years have produced

The novelist and critic A.N. Wilson this month issued a damning verdict on the art of the 1980s. Here, our critics nominate their choice of the decade's masterpieces

In the 1980s variety are usually exhibiting a pernicious brand of superior (and self-deceiving) philistinism. What they really mean is: "There have been no good new operas/symphonies exactly like our old favourites."

The 1980s provided good new examples in all the A.N. Wilson categories - so easy to list that it's almost embarrassing to have to do so - but their value lay in their joyous newness, not in their well-earned formal familiarity which is no doubt why the A.N. Wilsons of this world had difficulty in appreciating them. Just to pick a handful of examples out of the air: I think anyone incapable of recognising works of the quality of Bertolt Brecht's *Die Dreigroschenoper* or Judith Weir's *A Night at the Chinese Opera* (among the operas) or Alfred Schnittke's Fourth and Fifth Symphonies (among the symphonies) is an intellectual ostrich.

William Packer

The 1980s have been a remarkable period for British art. Some younger artists may have been overpraised, but most encouraging has been the way in which more mature artists are at last being given

their due, not on grounds necessarily of innovation or originality, but of quality. Gillian Ayres, Bridget Riley, Paula Rego, Elizabeth Blackadder, Carol Weight, Roger de Grey, Leon Kossoff, John Bellamy, Euan Uglow are only those that come readily to mind. But the two stars of the decade have been Frank Auerbach and Lucian Freud. For me one work of unquestionably great art produced in the 1980s is Freud's large conversation piece, based loosely on Wetstein's tiny "Pierrot Content," the "Large Interior W11" of 1983. I said so then, and I think so still.

As in all recent decades, sculpture too has flourished. Kapoor, Nash, Cragg, Long, Deacon, Woodrow, Flanagan, Goldsworthy, King, Sandle, Paolozzi have all been notable in their different ways. But for me the particular images are those of Dhruva Mistry's fabulous symbolic beasts.

Michael Coveney

It was the decade of the blockbuster, starting with *Nicholas Nickleby* at the RSC and ending with Peter Brook's *The Mahabharata*, both narrative masterpieces in contrasting, highly wrought styles. Only Stoppard of the 1970s brand name dramatists produced an exceptional play, *The Real Thing*. Plays of the 1980s were Irish - Brian Friel's *Translations* and Frank McGuinness's *Observe the Sons of Ulster Marching Towards the Somme* - and public affairs like David Hare's *The Secret Rapture* and (with Howard Brenton) *Pravda*. Andrew Lloyd Webber's *Cats* and *Phantom of the Opera* were innovative and significant entertainments. Michael Frayn's *Noises Off* was the funniest play in English since the last war. A.N. Wilson was a bit of a hoot, too.

Nigel Andrews

The 1980s were widely tipped as the decade in which the cinema would die. Instead the cinema has bounced back to health. Attendances rose year by year after reaching rock bottom in mid-decade. And



Modern masterpieces: (top left) Robert Langdon Lloyd and Ryszard Cieslak in *The Mahabharata*; (top right) the dowdsite of *Brideshead Revisited*; (left) detail from Lucian Freud's *Large Interior W11*, and (right) the dowdsite of *Brideshead Revisited*

what same filmgoer could write off (10 years that gave us the haunting *ET* (the best ever sci-fi fantasy), the amazing *Blue Velvet* (a deep-sea dive into psychopathology), the towering *Run* (Kurosawa taking *King Lear* to Mount Fuji), the spectacular, underrated *Heaven's Gate*, the crackling *Raging Bull*, or the rise and rise of a remarkable army of British directors (Ridley Scott, Stephen Frears, Peter Greenaway, Terence Davies). 1980s, follow that.

Andrew Clements

The problem is not where to look but what to choose in the richest decade for opera since

the 1950s. But Britwistle's *The Mask of Orpheus* (staged by ENO in 1986) was a landmark not just in the history of British music, but in the development of opera in this century. Questioning all our most cherished assumptions about narrative and linear form, and redefining the primeval relationship between music and theatre, it is one of those precious art works whose first appearance was extraordinary and yet now seems inevitable, as if it had always existed in its own timeless world.

Clement Srip

The decade began with masterpieces, the last creations by

George Balanchine: *Davidson-Allegiance*, *Monstrance*; the *Garden Waltz* from *The Sleeping Beauty*; and the choreographer's expressionistic farewell to us with the adagio lamentoso from *Chalkovsky's* sixth symphony.

The decade was nearly over when, last December, Mark Morris staged his *L'Allegro, Il Penseroso, Il Moderato* in Brussels and showed how music and poetic images could crowd the dance with splendour. In the years between, Merce Cunningham and Paul Taylor have produced a tremendous body of work whose cumulative effect is to make the 1980s a superb time for American dance.

Gillian Darley

Architecture is a mirror of society; trends in building reflect our priorities. Unsmelled out-of-town shopping centres and science parks can't wipe filthy cities, deteriorating schools, hospitals, prisons and housing from the record. Monuments of this decade reflect commercial confidence - the Lloyd's building, by Richard Rogers, or Norman Foster's Hong Kong and Shanghai Bank. The Eighties embraced post-Modernism from TV-ant's eggy eyes to the current revamping of London Wall (Terry Farrell both times) as well as tendencies neo-classicism and a new Modernism

exemplified by the FT's printworks by Nicholas Grimshaw. The best work of the decade combined new technology with old skills - James Stirling's Stuttgart Staatsgalerie, a *tour de force* of stonemasonry. Michael Hopkins stand at Lords, of loadbearing brick topped by soaring tensile polyester. But for me the magnificently ambitious South transept of York Minster, traditional in its craftsmanship, but incorporating sophisticated technology to prevent lightning striking twice, is the most optimistic pointer towards change and continuity in the 1980s.

Rodney Milnes

The general critical consensus was that Judith Weir's *A Night at the Chinese Opera* (Cheltenham 1987) was the most exciting first opera by a British composer since Peter Grimes. Weir's musical language is at once approachable and intriguingly multi-layered, and the subject matter, veering from broad farce to the most tragic of all, despite the brilliance of Richard Jones' premiere production, one could imagine it being staged in a variety of different ways - it has a future as well as a present. Ken Scarborough, the commissionee who has inevitably been rewarded by being closed down by the Arts Council.

Alastair Macaulay

Surely no act produced as many great works in the 1980s as dance. True, few people here realised that, because the best was made elsewhere, and visited these shores too occasionally to show the dance-shy British that dance can be a major art. George Balanchine, who died in 1983, was as supreme an artist as any the century has known - classical, romantic, modernist, intimate and grand - and in peak form right up to the 1981 Chalkovsky Festival. Merce Cunningham has made, roughly, one masterpiece per year, from *Dues* (1980) to *August Pace* (1988); and Mark Morris, who showed his first professional choreography in 1980, has been the decade's great discovery.

Richard Fairman

From a decade with more music than any before I select a few which are representative: Witold Lutoslawski whose flowering of late works has continued apace with the Third Symphony, the Piano Concerto and a host of instrumental and orchestral pieces. If Mr Wilson wishes to settle for one in particular, a symphony can only be which to choose.

UNLIKE HER sisters, the Muse of Song has to perform to survive. In the museum at Olympia there is a splendid stone inscription of a hymn that sets out words and notes, with what one takes to be rhythmic annotation, so clearly that it almost makes the music come alive. Almost, but not quite. Unfortunately we still do not really know how ancient Greek music sounded and it is a sobering thought that sets out words and notes, with what one takes to be rhythmic annotation, so clearly that it almost makes the music come alive. Almost, but not quite. Unfortunately we still do not really know how ancient Greek music sounded and it is a sobering thought that sets out words and notes, with what one takes to be rhythmic annotation, so clearly that it almost makes the music come alive.

Records The Muse plays on in modern dress

and unfamiliar, for CD. The new "RCA Victor Vocal Series" from BMG is full of unexpected rarities. A vocal disc by the American baritone Leonard Warren (GD 87807), captured five on tour in the Soviet Union in 1953, has been available in this country before, but has almost twice as much material in its new CD version. Another disc features the celebrated soprano Lotte Lehmann (GD 87808) not only in German Lieder, but in a remarkable mixture of French, Russian, English and Italian songs.

need to investigate the excellent selection in this series from Rosa Ponselle (GD 87810), The Schips (GD 87809) and Lawrence Tibbett (GD 87808). Only EMI holds archives that can yield a richer reward. This is the one company that has always been aware of the value in its treasury and for that reason it is surprising that it has not capitalised more fully on the potential of releasing 78s on compact disc before now. Only in the past year has a significant number of the "References" series reached the market, though the quality of what we are getting is likely to silence any previous grumbles.

CDH 7 63912, where the only surviving copy of Dame Eva singing Elisabeth's Greeting from *Tannhauser*, previously broom in three pieces, comes up as good as new. Although Dame Eva (now 97) has never been forgotten in this country, it was good to see this disc getting royal treatment in one of the leading Italian music magazines as well, thereby reviving memories in that country of her international career, rare for a British singer at that time. Wagner singing of the kind she practised - steady of tone, beautiful of line - cannot be cast aside lightly.

Wagner's vocal lines were so many bawls or rants. Also recommended are the Tito Schipa (CDH 7 63900-2) and Claudia Muzio (CDH 7 63900-2) discs. The latter, in particular, was an artist of powerful convictions, striking deep into the heart of her music. Of all this series, though, there is a special value in the disc devoted to Sena Jurinic (CDH 7 63199-2). A few years ago this would barely have qualified as historical at all, as no track on it dates from before the war. But there is every reason to regard the singing on it as of historic import when it is as glorious as in this account of Strauss's Four Last Songs under Fritz Busch, so full of radiant spring sunshine in every way. Finally, from EMI two brand new sets of Lieder - one dating from 1958, the other from the 1960s. Elisabeth Schwarzkopf (CBS 7 61043-2) was at the height of her career when she gave the Carnegie Hall recital in New

York that has been tracked down here. Despite disturbing signs of the technical weaknesses that were to become prevalent in later years, the singer brings Schubert, Wolf and Strauss with a spontaneity that she never really equalled in the recording studio. The other set is a three-CD box from Dietrich Fischer-Dieskau (CBS 7 63167-3) featuring the singer's recital from live, from the Salzburg Festivals of 1982 to 1984. Again the artist is at the peak of his powers, investing every one of the well-known Schubert songs in his second programme with a beauty of voice and a sweetness of touch that one hardly feels justified in demanding of an artist performing live. Gerald Moore is accompanist. These will surely rank among the historic recordings for future generations. Let us hope that when the next technological revolution occurs that they too are preserved in what is then the best possible medium. The muse of song must not be allowed to fall silent.

Richard Fairman

ANY ATTEMPT to put the wonder back into looking at works of art must be a good thing. How many times have we all walked past museum cases brimming with objects that in isolation would stop us dead in our tracks? The modern museum grew out of the 18th century *Wunderkammer* - as its name suggests, a room in which objects, precious or curious, man-made or natural, could be perused at leisure, to be marvelled at and studied. A later generation abandoned arbitrary juxtapositions in favour of a more scientific approach. What we gained in instruction, we lost in excitement. Two loan exhibitions arranged to fill the Christmas recess at Christie's set out to convey some sense of how two very different art forms were once received and perceived. The smaller of the two treats Kakiemon porcelain from 17th century country house collections. How these exquisite Japanese wares, with their delicate decoration, translucent jewel-like colour and lovely milky white body, must have dazzled our forebears who had only known Chinese blue and white, and crude majolica.

Potty about porcelain Susan Moore on exhibitions of china and plate

acquired in late 17th and early 18th century Britain, even before the arrival of Mary. Not all of it is what one might expect. As well as the consummate examples that come to mind when we think of Kakiemon, there are cruder, provincial pieces, unexpected shapes, and early experimental green and blue palettes, as well as blue and white from the Kakiemon kilns. There are figurines as well as vessels, and such splendid objects as the Burghley elephant. Its appearance in the Burghley inventories confirms that the Kakiemon palette was fully developed by 1688. Dr Impey encourages us to review the term Kakiemon (the name of a family of potters, or enamellers, or the name of a kiln?), and to use it in differing ways at different periods to describe the porcelain made in and around Arita. For its influence on fine European porcelain manufacture, we must await the "Porcelain for Palaces" exhibition which opens at the British Museum in London in July. The Oxford showing is, if you like, the academic version. It is, however, a case in point of how to display works of art to their least advantage. The glory of these exquisite porcelains lies in their sparseness of decoration and expense of luminous white body. How can these be best appreciated brightly lit and set against ivory silk? Christie's approach is altogether more atmospheric and theatrical and fun (curtain up on January 25). George Carter has designed a set along the lines of Queen Mary's closet at Hampton Court. Garlands of blue and white form porcelain pyramids on the stopped shelves above corner chin-



The Burghley elephant, a splendid specimen c.1680

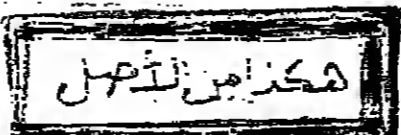
neypieces, and garlands to frame glass and canvas. The Kakiemon enamels will glow like gems against a background of trompe l'oeil tortoiseshell panelling. George Carter is also designing an extravagant setting for "The Glory of the Goldsmith," some 240 first-class pieces of gold and silver drawn from the collection, housed in England, of His Excellency Mohammed Mahdi Al-Tajer, the United Arab Emirates first Ambassador to the Court of St James. Long gone are the days when plate

is one of the finest and more comprehensive collection of European plate in the world, in or out of a museum. In date it ranges from an austere Aragonese ewer of around 1500 to late 18th century racing cups; quality and condition are uniformly high. If it could be described as having any weakness, it is in early German silver. Its great strengths are English Regency plate and French Empire, notably the silver-gilt pieces from the superlative Demidoff "Victory" dinner service made by J-B-C Ollivier in 1817. There is too much of excellent quality to make any brief selection inevitable, but there are a number of pieces that simply should not be missed. Here, much to my delight, is a fantastical rococo ewer and basin by Charles F's goldsmith Christian Van Vlieten in the "arabesque" style. From its restless surface emerges a profusion of undulating scrolls, masks of men and beasts, drops and swags. The ewer (see its lid) is raised from a single sheet of silver. A great curiosity is the silver-gilt shield designed and modelled by John Flaxman following Homer's description of the shield of Achilles. A dining room is being created to display a uniquely intact and near complete George II dinner service, made for the Duke of Leinster by George Wickes. To represent the rest of the collection, there is a "wunderkammer" housing bejewelled snuff-boxes and scent bottles, miniature and clocks, Renaissance pendants, mounted rock crystal and semi-precious stones, and, reputedly, the largest pearl in the world. Standing guard is a "real" curiosity, the silver dwarf from Mentmore, thought to represent Queen Henrietta Maria's favourite, Sir Jettory Hudson, who, 18 in high, popped out of a pie served to the Queen in 1615. "The Glory of the Goldsmith" is on view at Christie's January 3-21; "Kakiemon: Flowers of Fire" (sponsored by Glaxo), Jan 25-Feb 9.

This rough old magic

intimate rasp of a voice as whole-hearted in panto dialogue as in asserting in song that there's not enough magic, blowing bubbles, eating, kissing or seeking rainbows any more. Tudor Davies' script is sharper than most and disarms us with such villainous snarls at the conventions as "An ageing pop star with a transvestite for a mother" in Act 2. Widow Twankey has the makings of a great dame; if only he had the discipline not to milk flirts and hitches for laughs. Nicholas is no more than a TV sitcom star, though amiable enough, and Fanny Kennedy's Princess is described as a "vibrant personality" in the programme. (Such flights of fancy presumably explain the £1.50 demanded for it.) Much play of green lasers and references to Dr Who for Sylvester McCoy, better as the Slav of the Lamp than as the feebly over-played Caliph. Peter Blake's wicked Abanazar is first-rate, evil projected with just the right relish. There are jokes about Moss Side, Dickory and Alex Ferguson (no joking matter, some would say). The children join in lustily, whether in backchat, song, or shrieking "Bub!" at all the appropriate moments - and a few inappropriate ones too.

Martin Hoyle



SPORT

Tennis

Becker and Graf's year

John Barrett looks at the 1989 world rankings

FOR THE first time ever, two Germans head the rankings for 1989. No-one would dispute that Boris Becker and Steffi Graf are the best players of 1989 - even though the unbalanced eye of the ATP computer still insists that Ivan Lendl is the men's No 1. Don't blame the computer, though; argue with the men who devised its ranking programme.

Significantly, even before Becker had lost to Stefan Edberg of Sweden in the Nisisco Masters final, Lendl himself (an Edberg victim in the semi-final) had generously acknowledged that Boris is the world champion for 1989. A day later, this accolade was duly awarded by the selection panel of former champions - Fred Perry, Frank Sedgman and Tony Trabert.

Becker's two major suc-

cesses this year occurred at the two most important championships: Wimbledon, where his third title in five years was gained at the expense of Edberg, and the US Open, where he won for the first time by out-serving and out-lasting Lendl in the final on a sweltering New York day. Before that, the 22-year-old German had shown his growing expertise on slow European clay by going through to the semi-finals of the French Open.

But it was Becker's majestic Davis Cup performances in Stuttgart two weeks ago that revealed his growing maturity and his natural qualities of leadership. On the first day, after Mats Wilander had gained revenge in five sets against Carl-Uwe Steeb for the beating he suffered at the West German's hands in 1988, Becker came out simply confident and proceeded to

overpower Edberg just one week after losing helplessly to the Swede at the Masters. In the doubles the following day, he nursed a nervous Eric Jelen through a testing match to gain the vital 2-1 lead at the expense of Anders Jarryd and Jan Gunnarsson. That alone was a mastery performance.

Then, on the last day, he clinched victory for his country by thrashing Wilander in straight sets. It was an awe-inspiring sight. His 6-2 6-2 win in 105 minutes was probably the most emphatic Davis Cup victory ever in such a situation. Becker's commanding physical presence that day, and his utter contempt for the world champion, reminded me forcibly of that great Australian of the 1950s, Lew Hoad.

With 10 tournament victories in 1989, including a first Australian Open, Lendl holds the No 2 spot comfortably ahead of

spell that included successive victories over Chang, Becker and Edberg in Cincinnati. It was an impressively consistent year.

His compatriot, Aaron Krickstein, also had an outstanding season, his best since arriving on the scene as a teenager in 1985. His three tournament wins and a semi-final finish at the US Open clinched him the No 7 place ahead of the Australian Open finalist, Miloslav Mecir, who had another injury-plagued year.

In ninth and 10th places are Tim Mayotte, a quarter-finalist at Wimbledon and the US Open, and Andre Agassi, the sixth American in the list. Last year's No 5 player with six tournament wins, Agassi won only in Orlando in 1989 and chose not to challenge in Australia or at Wimbledon. His fading reputation was saved only when he reached the semi-finals of the US Open.

As a footnote to the men's list, it is sad to record the departure of Wilander, last year's No 1. He has had an abysmal year in which he reached only one final.

Graf's spectacular year was marked by two key moments. No 3 by virtue of her historic feat in Paris and her quarter-final finishes at Wimbledon and the US Open. No one younger had ever captured the most physically demanding of all the major championships, and the way she braved the heat and humidity to reach the final, a terrier refusing to give up, was the season's highlight for me.

For Sabatini, who slipped from second place to fourth, it was a disappointing year. A semi-finalist in Melbourne and New York, the Argentine No 1 could not build on her fine early-season form - first at Amelia Island, where she beat both Navratilova and Graf, and then at the Lipton Players Championship where her victory over Chris Evert was her season's peak performance.

Evert, having run her quarter-century course for even longer than Navratilova, gave us a final season to remember. After her semi-final with Graf at Wimbledon, the 34-year-old American waved to the fans and turned for a lingering last look at the Centre Court where she had claimed three singles titles since 1974.



On top of the world: Graf and Becker at Wimbledon

You will all be able to share some of those memories at 6.15 pm tomorrow on BBC 2 in Chris Evert's Wimbledon Farewell.

Then, at Finishing Meadow, there was another emotional farewell. First, Chris gained a magnificent 6-0 6-2 revenge against young Monica Seles, who had beaten her in the Houston final. After that faultless display of accuracy and consistency, which brought her a 100th US Open singles win, Chris was beaten in the quarter-final by Zina Garrison, who herself had a tear along with many of the 19,000 spectators present as the six-times former champion made her dignified departure.

Seles, who turned 16 earlier this month, is the discovery of the year. In a superb French semi-final she gave Graf the first of her life and then reached the fourth round both at Wimbledon and the US Open. She is a worthy No 5.

Below her, there is little to separate Garrison, who won three tournaments; Helena Sukova, who won one but reached the Australian final; Manuela Maleeva, who claimed two titles; and Catarina Lindqvist, the first Swedish woman to reach a Wimbledon semi-final. Each had good moments without finding the consistency to challenge the leaders.

Football

Sleepless nights ahead

AMONG THE side-shows accompanying the draw for the finals of the World Cup in Rome, nothing was more dramatic than Luciano Pavarotti singing the aria *Messa D'Amore* - None shall sleep tonight - from *Turandot*. But as opera's man-mountain reached for his ringing top B, it was easy to imagine that soaring to the inhabitants of Serdinya.

There had been consternation on the island when England were booked to play all their first round matches at Cagliari, the island's capital, so that the carabinieri could more easily control the English.

In the old days Italy used to boot its troublesome citizens off to Sardinia, the Sardinian action party, "and now it's doing the same with troublesome foreigners." Nor was Luis Suarez, manager of Spain, happy with the decision. His country's record made it an equally strong candidate for seeding, and he muttered darkly that it was now clear that he should have approached the rent-a-hooligan agency instead of concentrating on football.

The country no-one wanted to see in England's group was Holland, whose hooligan problem - at least at club level - is if anything worse. A season marked by violent incidents reached its climax in Amsterdam during September when two home-made bomb exploded in the stands. Nevertheless, with the implausibility of an operative plot, the last name drawn to play in England's group was indeed that of Holland, thus ensuring sleepless nights throughout Cagliari this summer.

One of those toasting and turning will be England's most senior, Bobby Robson, in Holland and Jack Charlton's confident Republic of Ireland, the first team England will meet on June 11, he faces two of the countries' finest: defeated England in the European Championships. The fourth team in this formidable group F, which also plays in Palermo, will be Egypt, whose only previous participation was in 1984, when the finals were hosted for the first time in Italy.

Suarez, on the other hand, must have been delighted when the draw placed Spain in group E, playing in Verona and

Udine, and headed by Belgium, the weakest of the seeds. This is probably the most open group since the other teams have proved themselves difficult opponents. Uruguay will give negative play, but now they have a strong squad with five new numbers playing for the first time. There is also a gifted team from South Korea.

The always formidable West Germany will be in Group D, which plays in Milan. Current goalscorer, three of his teammates playing for Inter Milan (Brehme, Matthaus, Klinsmann) and two for Roma (Voller, Berthold), Franz Beckenbauer's team should feel at home, and have been given a group which is among the least demanding. The strongest opponents will be Yugoslavia. In spite of losing a star player in Mehmed Basarevic (banned for a year for spitting at a qualifying match), they can still call on the glittering midfield skills of Dragan Stojkovic.

Czechoslovakia have no outstanding stars, but Florentin Lupos Kukula will have up-to-date knowledge about the form of the Italian players, while the other centre, Florence, could witness a surprise to compare with the US defeat of England in 1980.

Philip Evans on the problems thrown up by the World Cup draw

The only other team who did not have to qualify, Argentina, are in the opening match on June 8 in Milan against Cameroon, the only participants never to lose a match in the World Cup finals (in 1982 they gained three draws including one against the eventual winners, Italy). The holders will meet the experienced midfield skills of Herbert Prohaska, who used to play for Roma and Internazionale.

Of their opponents who play each other in the other new stadium at Bari, the most feared should be the Soviet Union, the only country in Eastern Europe to qualify for the last three world cups. Finalists of both the 1986 European Championship and Olympic Games, they have midfielders Alexander Zavarov and Sergei Aleinikov playing in Italy. Romania could also be a problem, having lost to Italy 1-0 recently and in November qualified by coming back after being a goal down to defeat the popular Denmark 3-1. Midfielders Gheorghe Hagi and Marius Lăcătuș will be among the first to wish each other a happy Sweden could be difficult opponents, for there are many Swedes who have first-hand

experience of Italian conditions; and Scotland must not be lulled by the tendency to play too faint-heartedly against weaker teams when on June 11 they encounter noxious Costa Rica.

The hosts Italy, play in Rome and have been highly favoured by the draw. Their opponents in Group A will be Austria, probably the weakest team in the third pool, and the US, arguably the weakest team of all. Matters, however, may not be so straightforward. Austria won their last match 3-0 against East Germany, all three goals being scored by Toni Polster, who recently spent a season with Torino, and they will probably call upon the experienced midfield skills of Herbert Prohaska, who used to play for Roma and Internazionale.

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1989 WORLD RANKINGS (Last year's position in brackets)

Table with 2 columns: MEN and WOMEN. Lists top 10 players with their names, nationalities, and 1988 rankings in parentheses.

esses this year occurred at the two most important championships: Wimbledon, where his third title in five years was gained at the expense of Edberg, and the US Open, where he won for the first time by out-serving and out-lasting Lendl in the final on a sweltering New York day. Before that, the 22-year-old German had shown his growing expertise on slow European clay by going through to the semi-finals of the French Open.

But it was Becker's majestic Davis Cup performances in Stuttgart two weeks ago that revealed his growing maturity and his natural qualities of leadership. On the first day, after Mats Wilander had gained revenge in five sets against Carl-Uwe Steeb for the beating he suffered at the West German's hands in 1988, Becker came out simply confident and proceeded to

overpower Edberg just one week after losing helplessly to the Swede at the Masters. In the doubles the following day, he nursed a nervous Eric Jelen through a testing match to gain the vital 2-1 lead at the expense of Anders Jarryd and Jan Gunnarsson. That alone was a mastery performance.

Then, on the last day, he clinched victory for his country by thrashing Wilander in straight sets. It was an awe-inspiring sight. His 6-2 6-2 win in 105 minutes was probably the most emphatic Davis Cup victory ever in such a situation. Becker's commanding physical presence that day, and his utter contempt for the world champion, reminded me forcibly of that great Australian of the 1950s, Lew Hoad.

With 10 tournament victories in 1989, including a first Australian Open, Lendl holds the No 2 spot comfortably ahead of

spell that included successive victories over Chang, Becker and Edberg in Cincinnati. It was an impressively consistent year.

His compatriot, Aaron Krickstein, also had an outstanding season, his best since arriving on the scene as a teenager in 1985. His three tournament wins and a semi-final finish at the US Open clinched him the No 7 place ahead of the Australian Open finalist, Miloslav Mecir, who had another injury-plagued year.

In ninth and 10th places are Tim Mayotte, a quarter-finalist at Wimbledon and the US Open, and Andre Agassi, the sixth American in the list. Last year's No 5 player with six tournament wins, Agassi won only in Orlando in 1989 and chose not to challenge in Australia or at Wimbledon. His fading reputation was saved only when he reached the semi-finals of the US Open.

CROSSWORD

No. 7,126 Set by CINEPHILE. Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday January 10, marked Crossword 7,126 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8HL. Solution on Saturday January 13.

Crossword puzzle grid with numbered squares and some pre-filled letters.

- ACROSS: 1, 4 Way last victory transformed struggle in Europe (6,5,3); 9, 10 Best with passage (part of symphony) involving Newman (6,4); 12, 13 Food on tables with man between (8,6); 15 Sould for speed? (4); 16 Panegyrics in cameo possibly (7); 20 Spanish gentleman concealed and left in past (7); 21 Ten-minute flirt? (4); 25, 26 Eisenhower on holiday dining series of anti-uniform activity (6-8); 28, 29 While escaping, doctor struggles with travelling shows (2-4,5); 30, 31 Heavenly show, and not Becker came out simply confident and proceeded to

- DOWN: 2 Select fool for gin cocktail (6); 3 Select umpire in person (6); 24 Forty wins for oil producer in Italian city (6); 27 Clean fish for tea (4)

Solution to Puzzle No. 7,125

Solution grid for puzzle No. 7,125 with filled-in letters.

Solution and winners of Puzzle No. 7,117

Solution grid for puzzle No. 7,117 with filled-in letters.

Miss C. Abbott, London SW1; Mr G. Bryan, Shipston on Stour, Warwickshire; Mr P. French, Leddston, Cornwall; Rev E.N. Staines, Defford, Worcs; Mr M.J. Wheelidon, Worcester.

TELEVISION & RADIO

SATURDAY

Television and radio schedule for Saturday. Lists programs for BBC1, BBC2, Channel 4, S4C Wales, Anglia, Border, Granada, Central, Channel, Gramplan, Ulster, Yorkshire, Radio 3, Radio 4, Radio 5, Radio 6, Radio 7, Radio 8, Radio 9, Radio 10, Radio 11, Radio 12, Radio 13, Radio 14, Radio 15, Radio 16, Radio 17, Radio 18, Radio 19, Radio 20, Radio 21, Radio 22, Radio 23, Radio 24, Radio 25, Radio 26, Radio 27, Radio 28, Radio 29, Radio 30, Radio 31, Radio 32, Radio 33, Radio 34, Radio 35, Radio 36, Radio 37, Radio 38, Radio 39, Radio 40, Radio 41, Radio 42, Radio 43, Radio 44, Radio 45, Radio 46, Radio 47, Radio 48, Radio 49, Radio 50, Radio 51, Radio 52, Radio 53, Radio 54, Radio 55, Radio 56, Radio 57, Radio 58, Radio 59, Radio 60, Radio 61, Radio 62, Radio 63, Radio 64, Radio 65, Radio 66, Radio 67, Radio 68, Radio 69, Radio 70, Radio 71, Radio 72, Radio 73, Radio 74, Radio 75, Radio 76, Radio 77, Radio 78, Radio 79, Radio 80, Radio 81, Radio 82, Radio 83, Radio 84, Radio 85, Radio 86, Radio 87, Radio 88, Radio 89, Radio 90, Radio 91, Radio 92, Radio 93, Radio 94, Radio 95, Radio 96, Radio 97, Radio 98, Radio 99, Radio 100.

SUNDAY

Television and radio schedule for Sunday. Lists programs for BBC1, BBC2, Channel 4, S4C Wales, Anglia, Border, Granada, Central, Channel, Gramplan, Ulster, Yorkshire, Radio 3, Radio 4, Radio 5, Radio 6, Radio 7, Radio 8, Radio 9, Radio 10, Radio 11, Radio 12, Radio 13, Radio 14, Radio 15, Radio 16, Radio 17, Radio 18, Radio 19, Radio 20, Radio 21, Radio 22, Radio 23, Radio 24, Radio 25, Radio 26, Radio 27, Radio 28, Radio 29, Radio 30, Radio 31, Radio 32, Radio 33, Radio 34, Radio 35, Radio 36, Radio 37, Radio 38, Radio 39, Radio 40, Radio 41, Radio 42, Radio 43, Radio 44, Radio 45, Radio 46, Radio 47, Radio 48, Radio 49, Radio 50, Radio 51, Radio 52, Radio 53, Radio 54, Radio 55, Radio 56, Radio 57, Radio 58, Radio 59, Radio 60, Radio 61, Radio 62, Radio 63, Radio 64, Radio 65, Radio 66, Radio 67, Radio 68, Radio 69, Radio 70, Radio 71, Radio 72, Radio 73, Radio 74, Radio 75, Radio 76, Radio 77, Radio 78, Radio 79, Radio 80, Radio 81, Radio 82, Radio 83, Radio 84, Radio 85, Radio 86, Radio 87, Radio 88, Radio 89, Radio 90, Radio 91, Radio 92, Radio 93, Radio 94, Radio 95, Radio 96, Radio 97, Radio 98, Radio 99, Radio 100.

